Interim Consolidated Financial Results for the Period Ended September 30, 2007

<Supplement>

As of November 1, 2007

Mitsubishi Tanabe Pharma Corporation

The figures for these unaudited financial statements which are on English translation of the Supplement of Interim Consolidated Financial Results in Japanese are prepared in accordance with principles and practices generally accepted in Japan. Accordingly, they do not necessarily match the figures in the Annual Report which presents the same statements in a form that is more familiar to foreign readers through certain reclassifications or summarization of accounts.

(Note)

The foregoing is forward-looking statements based on a number of assumptions and belief in light of the information currently available to management and is subject to risks and uncertainties. Actual financial results may differ materially depending on a number of factors, including economic conditions and currency exchange rate fluctuations.

Summary of Interim Financial Results for the Period Ended September 30, 2007

1. Summary of Interim Financial Results of Tanabe Seiyaku Co., Ltd. (billion yen)

Net Sales	93.8	Increase(Decrease)	+8.3	% Change	+9.7%
Pharmaceuticals	87.3	Increase(Decrease)	+8.4	% Change	+10.7%
Other Products	6.4	Increase(Decrease)	(0.1)	% Change	(1.8)%

Sales in the other products segment declined, but in the pharmaceuticals segment, higher sales were recorded by ethical drugs and OTC products. Consequently, net sales were up 9.7% year-on-year, to ¥93.8 billion.

Main Products and Businesses in each Segment

Pharmaceuticals: Ethical drugs, over-the-counterr-drugs
Other products: Fine chemicals, food additives, information services, advertising, etc.

Operating Income	18.4	Increase(Decrease)	+4.3	%Change	+30.9%
Ordinary Income	19.2	Increase(Decrease)	+4.0	%Change	+26.4%
Net Income	9.9	Increase(Decrease)	+0.4	% Change	+4.4%

Although the cost of sales increased due to gains in sales of products with high cost of sales ratios, SG&A expenses declined. As a result, operating income increased 30.9% year-on-year, to ¥18.4 billion. R&D expenses were down 10.8% year-on-year, to ¥12.5 billion, and the ratio of R&D expenses to net sales was 13.4%.
Interest income and dividend income increased, while foreign exchange gains declined. Consequently, ordinary income increased 26.4% year-on-year, to ¥19.2 billion.
Special losses, such as merger-related expenses and special retirement benefits, totaled ¥2.9 billion. As a result, net income for the interim period was up 4.4% year-on-year, to ¥9.9 billion.

2. Summary of Interim Financial Results of Mitsubishi Pharma Corporation (billion yen)

Net Sales	113.9	Increase(Decrease)	+1.7	% Change	+1.5%
Pharmaceuticals	105.4	Increase(Decrease)	+1.7	% Change	+1.6%
Other Products	8.6	Increase(Decrease)	+0.1	% Change	+0.7%

Net sales icreased ¥1.7 billion, (1.5%) year-on-year and reached ¥113.9 billion by steady results of main products.

Main Products and Businesses in each Segment

Pharmaceuticals: Ethical drugs
Other s: Fine chemicals, food additives, real-estate rental, logistics & warehouse, packaging material

Operating Income	21.3	Increase(Decrease)	+0.7	% Change	+3.5%
Ordinary Income	21.0	Increase(Decrease)	+0.7	% Change	+3.6%
Net Income	10.4	Increase(Decrease)	(3.2)	% Change	(23.5%)

Net sales increased while SG&A expenses increased. As a result, operating income increased ¥0.7 billion, 3.5% year-on-year, to ¥21.3 billion. Although nonoperating profit and loss remained flat, operating income increased; and ordinary income increased ¥0.7 billion, 3.6% year-on-year, to ¥21.0 billion.
Special losses, such as ¥1.6 billion of merger-related expenses and ¥1.4 billion of plant closure were recorded.
As a result, net income for the interim period was down ¥3.2 billion, (23.5%) year on year, to ¥10.4 billion due to decline in special profit and considerable increase in special loss, while operating income increased year on year.

Summary of Forecasts for FY2008 Ending March 31, 2008

The business forecasts for the full fiscal year reflect the effects of merger synergies, goodwill amortization expenses, systems development and other non-recurring merger-related expenses.
The forecasts were revised as follows from the initial forecasts which were published on May 9, 2007.

1. Summary of Forecasts for FY2007 of Mitsubishi Tanabe Pharma Ending March 31, 2008

(The Accounting Standards for Business Combinations)

Revised Business Forecasts (from the initial forecasts published on May 9, 2007) (billion yen)

	FY2006	Initial Forecasts	Revised Forecasts
Net Sales	177.5	330.0	318.0
Operating Income	30.5	55.0	52.0
Ordinary Income	32.3	55.0	52.0
Net Income	20.2	30.0	26.0

(billion yen)

Net Sales	318.0	Increase(Decrease)	+140.5	% Change	+79.1%
Operating Income	52.0	Increase(Decrease)	+21.5	%Change	+70.7%
Ordinary Income	52.0	Increase(Decrease)	+19.7	%Change	+60.8%
Net Income	26.0	Increase(Decrease)	+5.8	%Change	+28.9%

Because the merger was completed as a reverse acquisition under the accounting standards for business combinations, the forecast for the full fiscal year was calculated as the sum of the forecast for Mitsubishi Tanabe Pharma for the second half of the fiscal year and the results for Mitsubishi Pharma for the interim period. The forecasts for the full fiscal year are estimated to increase considerably on a year ago.

2. Summary of Forecasts for FY2007 of Mitsubishi Tanabe Pharma Ending March 31, 2008

(Simple Sum)

Revised Business Forecasts (from the initial forecasts published on May 9, 2007) (billion yen)

	FY2006	Initial Forecasts	Revised Forecasts
Net Sales	405.0	418.5	411.8
Operating Income	70.4	69.0	70.4
Ordinary Income	71.7	69.5	71.2
Net Income	44.5	37.5	35.9

(billion yen)

Net Sales	411.8	Increase(Decrease)	+6.7	% Change	+1.7%
Operating Income	70.4	Increase(Decrease)	+0	%Change	+0.0%
Ordinary Income	71.2	Increase(Decrease)	(0.4)	%Change	(0.6%)
Net Income	35.9	Increase(Decrease)	(8.5)	%Change	(19.2%)

Consolidated Financial Indicators

1.Tanabe Seiyaku Co.,LTd.

	First half of FY2006	First half of FY2007	%Change	FY2004	FY2005	FY2006
＜P/L＞						
Net Sales（billion yen）	85.5	93.8	9.7%	172.0	171.6	177.5
Operating Income（billion yen）	14.1	18.4	30.9%	27.5	27.6	30.5
Ordinary Income（billion yen）	15.2	19.2	26.4%	27.6	27.1	32.3
Net Income（billion yen）	9.5	9.9	4.4%	15.9	15.5	20.2
Net Income Per Share（yen）	38.86	40.58	4.4%	63.70	62.43	82.36
＜B/S＞						
Total Assets（billion yen）	290.8	303.3	4.3%	269.0	280.8	297.1
Net Assets（billion yen）	225.8	237.0	5.0%	203.8	218.1	232.3
Equity Ratio（%）	77.60	78.20	5.0%	75.8	77.7	78.2
＜Cash Flows＞						
Cash Flow from Operating Activities（billion yen）	11.2	8.4	—	19.8	22.7	21.4
Cash Flow fron Investing Activities（billion yen）	(3.4)	(4.2)	—	(24.8)	(16.8)	(8.5)
Cash Flow from Financing Activities（billion yen）	(3.0)	(3.0)	—	(5.1)	(8.5)	(6.1)
＜Others＞						
Gross Income on Sales（%）	62.3	60.4	—	63.0	63.9	61.2
Operating Income to Sales（%）	17.9	19.7	—	16.0	16.1	17.2
Ordinary income to Sales（%）	17.8	20.5	—	16.0	15.8	18.2
Net Income to Sales（%）	9.8	10.6	—	9.2	9.0	11.4
Dividents per Share（yen）	12	13	—	17	20	24
Payout Ratio（%）	30.9	32.0	—	26.7	32.0	29.1

2.Mitsubishi Pharma Corporation

	First half of FY2006	First half of FY2007	%Change	FY2004	FY2005	FY2006
＜P/L＞						
Net Sales（billion yen）	112.2	113.9	1.5%	234.2	236.2	227.5
Operating Income（billion yen）	20.6	21.3	3.5%	31.0	36.2	39.9
Ordinary Income（billion yen）	20.2	21.0	3.6%	29.9	36.0	39.3
Net Income（billion yen）	13.6	10.4	(23.5%)	13.1	20.6	24.3
Net Income Per Share（yen）	29.69	22.73	(23.4%)	29.02	45.39	53.02
＜B/S＞						
Total Assets（billion yen）	310.7	331.1	6.6%	290.6	307.0	323.3
Net Assets（billion yen）	237.6	247.4	4.1%	205.9	231.5	243.9
Equity Ratio（%）	76.5	74.7	–	70.9	75.4	75.4
＜Cash Flows＞						
Cash Flow from Operating Activities（billion yen）	13.6	9.6	—	27.4	37.0	28.0
Cash Flow fron Investing Activities（billion yen）	5.7	(5.6)	—	(6.9)	(9.8)	4.3
Cash Flow from Financing Activities（billion yen）	(7.7)	(2.8)	—	(10.5)	(7.8)	(11.2)
＜Others＞			—			
Gross Income on Sales（%）	65.1	66.1	—	65.1	65.6	64.8
Operating Income to Sales（%）	18.3	18.7	—	13.3	15.3	17.6
Ordinary income to Sales（%）	18.0	18.4	—	12.8	15.2	17.3
Net Income to Sales（%）	12.1	9.1	—	5.6	8.8	10.7

Interim Financial Results of Tanabe Seiyaku for the Period Ended September 30, 2007

1.Consolidated Statements of Income

(Million yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	% Change	First Half of FY2006 Consolidated/ Non-consolidated	First Half of FY2007 Consolidated/ Non-consolidated
Net Sales	85,473	93,791	8,318	9.7	1.04	1.04
Operating Income	14,094	18,444	4,349	30.9	1.02	1.09
Ordinary Income	15,213	19,232	4,019	26.4	1.03	1.07
Net Income	9,519	9,939	420	4.4	1.00	1.07
Net Income per Share	¥38.86	¥40.58	¥1.72	4.4	—	—

2.Sales by Type of Business

(Million yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	% Change	Notes
Pharmaceuticals	78,910	87,346	8,436	10.7	
[% of Total]	[92.3]	[93.1]			
Ethical Drugs	76,061	84,265	8,203	10.8	See 3.Sales of Main Products
OTC Drugs	2,849	3,081	232	8.2	
Other Products	6,562	6,444	(118)	(1.8)	Decline in Tanabe Seiyaku Trading Co.,Ltd.
[% of Total]	[7.7]	[6.9]			
Total	85,473	93,791	8,318	9.7	
[% of Total]	[100.0]	[100.0]			
[Overseas Sales]	[8,455]	[9,588]	[1,133]	[13.4]	% of Total: 10.2% （First Half of FY 2006: 9.9%）

3.Sales of Main Products

(Billion yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	% Change
Remicade	9.3	13.5	4.2	45.4
Herbesser	9.3	9.1	(0.2)	(1.7)
[Overseas]	[2.5]	[2.4]	[(0.1)]	[(3.1)]
Ceredist	7.3	7.9	0.6	8.3
Tanatril	7.4	7.5	0.1	1.1
[Overseas]	[1.0]	[1.1]	[0.1]	[10.7]
Sermion	5.2	5.1	(0.2)	(3.1)
Maintate	5.0	5.2	0.3	5.2
Talion	2.6	3.3	0.7	28.4
Gastrom	3.1	3.0	0.0	(1.4)
Fulcaliq	2.7	2.7	0.0	0.1
Lochol	2.6	2.4	(0.2)	(7.4)
Cerekinon	1.7	1.7	0.0	(2.8)
Adona	1.3	1.3	0.0	(1.5)
Proscope	1.1	0.7	(0.4)	(37.4)
Vaccine[Domestic]	5.0	6.9	1.9	37.9
[Influenza]	[1.0]	[0.9]	[(0.1)]	[(13.9)]
[Mearubik]	[2.9]	[4.4]	[1.6]	[55.0]
Vaccine[Overseas]	0.7	1.1	0.4	50.0
Licensing Fee, etc.	0.3	0.4	0.1	14.7

4.Cost of Sales and Selling, General and Administrative Expenses

(Million yen)

	First Half of FY 2006	First Half of FY 2007	Increase (Decrease)	% Change	Notes
Cost of Sales	32,214	37,148	4,934	15.3	Increase of sales on high cost products such as Remicade, Mearubik
[% of Net Sales]	37.7	39.6			
Selling, General and Administrative Expenses	39,164	38,198	(966)	(2.5)	
[% of Net Sales]	45.8	40.7			
R&D Expenses	14,040	12,528	(1,524)	(10.8)	Decrease due to declines of license fee.
[% of Net Sales]	16.4	13.4			
Labor Costs	11,247	11,383	135	1.2	
Other Selling Costs	2,731	3,475	743	27.2	Increase of expenses for product promotion meeting
Others	11,144	10,810	(333)	(3.0)	
Total Labor Costs	19,224	19,627	402	2.1	

Interim Financial Results of Tanabe Seiyaku for the Period Ended September 30, 2007

5. Non-operating Income and Expenses

(Million yen)

	First Half of Fiscal 2006	First Half of Fiscal 2007	Increase (Decrease)	Notes
Non-operating Income	1,519	1,294	(225)	
Interest income	286	615	329	Interest of receivables, etc.increased.
Dividend income	346	425	78	
Rent	17	17	0	
Foreign exchange gains	604	—	(604)	
Equity in gains of affiliates	18	0	(18)	
Others	246	234	(12)	
Non-operating Expenses	401	506	105	
Interest expenses	3	10	7	
Donations	104	105	0	
Foreign exchange losses	—	98	98	
Losses on disposal of property, plant and equipment	188	126	(62)	
Losses on disposal of inventories	67	82	15	
Others	38	83	45	

6. Special Gains and Losses

(Million yen)

	First Half of Fiscal 2006	First Half of Fiscal 2007	Increase (Decrease)	Notes
Special Gains	72	23	(48)	
Reversal of allowance for doubtful receivables	42	—	(42)	
Gains on sale of investments in securities	24	5	(18)	
Gains on sale of property, plant and equipment	6	9	3	
Gains on sale of stock of affiliated companies	—	8	8	
Special Losses	20	2,940	2,919	
Merger-related expenses	—	2,047	2,047	System integration, Integration of business offices
Additional retirement allowance	—	712	712	
Losses on impairment of fixed assets	—	149	149	
Write down of investments in securities	17	27	9	
Lossess on sale of investments in securities	3	3	0	

7. Taxes

(Million yen)

	First Half of Fiscal 2006	First Half of Fiscal 2007	Increase (Decrease)	Notes
Income before income taxes	15,265	16,315	1,050	
Income taxes: Current	6,321	4,961	1,359	Increase of special deduction in experimental research expense leads to raise actual effective tax rate. (Acutual rate:First half of FY2007 38.4%, First half of FY2006 37.2%)
: Deferred	(643)	1,309	1,952	
Minority interests	(68)	(105)	(36)	
Net Income	9,519	9,939	420	

Interim Financial Results of Tanabe Seiyaku for the Period Ended September 30, 2007

1.Balance Sheets

(Million yen)

	First Half of FY2006	First Half of FY2007 [Composition %]	Increase (Decrease)	FY2006	Increase (Decrease) from FY2006	Notes (Billion Yen) Upper: comparison with First Half of FY2006 Lower: comparison with the results at the end of FY2006
Total Assets	290,841	303,278 [100.0]	12,437	297,087	6,191	
Current assets	135,278	148,772 [49.1]	13,493	145,049	3,723	Cash and cash equivalents: (6.7), Marketable securities: 13.2 Notes and accounts receivable*1: 5.4, Inventory assets: 1.4, Other current assets:0.3
						Cash and cash equivalents: (9.0), Marketable securities: 7.6, Notes and accounts receivable*1: 2.5, Inventory assets: 3.0, Other current assets:(0.4)
Fixed assets	155,562	154,505 [50.9]	(1,056)	152,037	2,467	Property, plant and equipment: 2.1, Intangible fixed assets: (1.4), Investment in securities:0.8, Prepaid pension expenses: 0.3, Other investments: (1.2)
						Property, plant and equipment: 2.0, Intangible fixed assets: (0.6), Investment in securities: (0.8), Prepaid pension expenses: (0.1), Other investments: (1.0)
Total Liabilities	63,748	64,774 [21.4]	1,026	63,491	1,283	
Current liabilities	36,567	41,208 [13.6]	4,640	37,973	3,234	Notes and accounts payable*2: (5.1),Accrued payables:10.9, Income taxes payable:(1.3), Other current liabiliteis: 0.3
						Notes and accounts payable*2: 0.6,Accrued payables: 7.2, Income taxes payable:(4.6)
Long-term liabilities	27,180	23,566 [7.8]	(3,613)	25,518	(1,951)	Deferred income taxes: (2.3), Accured employees' Retirement benefits: (0.7), Reserve for health management allowances for SMON litigation: (0.7)
						Deferred income taxes: (0.9), Accured employees' Retirement benefits: (0.7), Reserve for health management allowances for SMON litigation: (0.3)
Net Assets	227,093	238503 [78.6]	11,410	233,595	4,908	
Total shareholders' equity	206,039	220,701 [72.7]	14,661	213,741	6,959	Retained earnings: 14.7
						Retained earnings: 7.0
Total other comprehensive income	19,790	16,337 [5.4]	(3,452)	18,525	(2,188)	Net unrealized gains on securities: (4.0)
						Net unrealized gains on securities: (2.2)
Minority interests	1,263	1,464 [0.5]	201	1,327	136	

*1 : Note and accounts receivable = Bills + Accounts receivable

*2 : Note and account payable = Bills (except non-operating bills) + Accounts payable

Interim Financial Results of Tanabe Seiyaku for the Period Ended September 30, 2007

2.Increase (Decrease) of Major Items in Table (Million yen)

	First Half of FY 2006	First Half of FY2007	Increase (Decrease)	FY2006	Increase (Decrese) from FY2006	Notes (Billion Yen) Upper: comparison with First Half of FY2006 Lower: comparison with the end of FY2006
Cash and cash equival	35,982	29,245	△ 6,737	38,197	△ 8,952	See page 10, 3. Statements of Cash Flows
Marketable securities	13,825	26,977	13,151	19,372	7,605	Acquisition: 66.3, Redemption: (57.2), Shift from Investments in securities: 4.0
						Acquisition: 41.7, Redemption: (36.6), Shift from Investments in securities: 2.5
Notes and accounts receivable* [Months/Revolution]	57,206 [4.02months]	62,615 [4.01months]	5,408 [0.01months]	60,127 [4.06months]	2,488 [(0.05months)]	Increase mainly due to sales of Remicade, etc.
						Increase mainly due to sales of vaccine, etc.
Inventories	22,352	23,755	1,402	20,790	2,965	Inventories such as Maintate were incresed.
						Inventories such as Remicade and vaccine were incresed.
Others	5,911	6,179	268	6,562	△ 382	
Property, plant and equipment	45,322	47,428	2,106	45,434	1,994	Depreciation: 4.5, Investment for plant and equipment: 6.7, Retirement of fixed assets: (0.3)
						Depreciation: 2.0, Investment for plant and equipment: 4.0, Retirement of fixed assets: (0.3)
Intangible fixed assets	3,028	1,635	(1,393)	2,210	(574)	Amortization: 1.5, Investment for information systems: 0.3
						Amortization: 0.6, Investment for information systems: 0.2
Investment in securities	79,956	79,108	(847)	76,923	2,185	Acquisition: 13.0, Sale; 4.6, Shift to investments in securities: (4.0), Marked-to-market: (5.5)
						Acquisition: 8.5, Shift to investments in securities: (2.5) Marked-to-market: (3.5)
Prepaid pension expenses	20,295	20,561	266	20,655	(93)	
Other investments	6,959	5,770	(1,188)	6,814	(1,043)	Long-term loan:(0.9)
						Long-term loan:(0.8)
Notes and accounts payable*2	19,673	14,598	(5,705)	13,970	627	Decrease due to accounts payable for vaccine
						Increase due to accounts payable for vaccine
Accrued payable	3,992	14,870	10,877	7,668	7,201	Increase due to annount payable of equipments and marketable securities
Income taxes payable	6,418	5,117	(1,300)	9,674	(4,556)	
Other current liabilities	6,311	6,591	280	6,617	(25)	
Liabilities with interest	277	104	(172)	132	(28)	
Short-term debt *3	141	—	(141)	11	(11)	
Long-term debt *4	135	104	(30)	120	(16)	
Deferred income taxes	9,648	7,370	(2,278)	8,313	(943)	
Accrued employees' retirement benefits	11,743	11,069	(674)	11,744	(674)	
Reserve for health management benefits for SMON litigation	5,226	4,554	(672)	4,891	(336)	Taking down by payment of health management benefits for SMON litigation
Other long-term liabilities	455	497	41	477	19	
Common stock	44,261	44,261	—	44,261	—	
Additional paid-in capital	48,136	48,139	2	48,137	1	
Retained earnings	135,879	150,612	14,733	143,612	7,000	Net income:20.6, Cash dividends: 5.9
						Net income:9.9, Cash dividends: 2.9
Treasury stock	(22,238)	(22,311)	(73)	(22,270)	(41)	
Unrealized gains on available-for-sale securities net of applicable income taxes	20,613	16,580	(4,032)	18,811	(2,230)	Decrease due to decline of market value

*1 : Note and accounts receivable = Bills + Accounts receivable

*2 : Note and account payable = Bills (except non-operating bills) + Accounts payable

*3 and *4 Debt: Long-term loans includes long-term loans due within one year.

Interim Financial Results of Tanabe Seiyaku for the Period Ended September 30, 2007

3.Statements of Cash Flows

(Million yen)

	First Half of FY 2006	First Half of FY 2007	Increase (Decrease)	FY 2006	Notes (Billion yen)
Cash and Cash Equivalents at Beginning of the Period	39,249	46,121	6,872	39,249	
Net Cash Provided by Operating Activities	11,206	8,351	(2,854)	21,419	While net profit and accured payable increased, notes and accounts receivable increased, ,notes and accounts payable decrease, and income tax increased. Concequently, the net cash decresed by 2.9.
Net Cash Provided by (Used in) Investing Activities	(3,448)	(4,152)	(703)	(8,525)	Sale/acquisition of securities:1.5, [First Half of FY2006: 3.5 First Half of FY2007: 5.0] Sale/acquisition of property, plant and equipment: 0.6, [First Half of FY2006: (2.7) First Half of FY2007: (2.1)] Acquisition of intangible fixed assets: 0.7, [First Half of FY2006: (0.8) First Half of FY2007: (0)] Sale/acquisition of investment of securities: (4.5), [First Half of FY2006: (3.5) First Half ofFY2007: (7.9)]
Net Cash Provided by (Used in) Financing Activities	(2,967)	(3,027)	(60)	(6,059)	Increase and Decrease of short-term debt: 0.4, [First Half of FY2006: (0.4), First Half of FY2007:(0)] Dividends paid:(0.5)[First Half of FY2006: (2.5), First Half of FY2007:(2.9)]
Effect of Exchange Rate Changes on Cash and Cash Equivalents	82	(37)	(120)	89	
Increase(Decrease) in Cash and Cash Equivalents	4,872	1,133	(3,738)	6,924	
Decrease in cash and cash equivalents accompanying change in	—	—	—	(51)	
Cash and Cash Equivalents at End of the Period	44,122	47,255	3,133	46,121	

* The Reconciliation of Cash and Cash Equivalents in the Consolidated Balance Sheets and Cash and Cash Equivalents in the Consolidated Statements of Cash Flows at the End of the Period.

(Million yen)

	First Half of FY 2006	First Half of FY2007	FY 2006
Cash and Cash Equivalents in the Consolidated Balance Sheets	35,982	29,245	38,197
Time Deposits Maturing after Three Months	(553)	(645)	(664)
Short-term Investments in Marketable Securities Maturing within Three Months of Acquisition (Marketable Securities)	8,693	18,656	8,589
Cash and Cash Equivalents in the Consolidated Statements of Cash Flows	44,122	47,255	46,121

4.Cash Flow Indicators

	FY20006	First Half of FY 2007	Notes
Shareholders' equity ratio [%]	78.2		Shareholders' equity [¥232,267 million] / total assets [¥297087 million]
		78.2	Shareholders' equity [¥237,039 million] / total assets [¥303,278 million]
Shareholders' equity ratio (market price) [%]	132.2		Aggregate market value of listed stock * [¥392,624 million]/total assets [¥297,087 million] *Total stock valuation is calculated by multiplying the closing stock price on the last day of fiscal year [¥1,603] by the total number of shares [244,931 thousand shares] issued at the end of the first half of fiscal year [less treasury stock]
		117.1	Aggregate market value of listed stock *[¥355,131 million]/total assets [¥303,278 million] *Total stock valuation is calculated by multiplying the closing stock price on the last day of fiscal year [¥1,450] by the total number of shares [244,904 thousand shares] issued at the end of the first half of fiscal year [less treasury stock]
Debt repayment period [years]	0.0		Interest bearing debt [¥132million] / operating cash flow [¥21,419 million]
		0.0	Interest bearing debt [¥104 million]/{operating cash flow [¥8,351 million]x2}* *:Double net cash provided by operating activities to convert annual basis
Interest coverage ratio	2,364.2		Operating cash flow [¥21,419 million]/interest paid [¥9 millon]
		1,011.0	Operating cash flow [¥8,351 million]/interest paid [¥8 millon]

Interim Financial Results of Tanabe Seiyaku for the Period Ended September 30, 2007

5. Investment in Property, Plant and Equipment (Million yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	FY2006
Investment in Property, Plant and Equipment (Occurring basis)	1,858	4,019	2160	4,368
[Non-consolidated]	[1,003]	[1,452]	[(629)]	[1,645]

<Major Investment in Property, Plant and Equipment in First Half of Fiscal 2007> Billion yen

Headquarters and Branches Facilities	0.9
Facilities and Equipments in Laboratories	0.3
Production Facilities	0.2
Subsidiaries' Facilities	2.5
[New Synthesis Facilities at Tanabe Seiyaku Yamaguchi]	[1.4]
[Other Production Facilities at Tanabe Seiyaku	[0.9]

6. Investment for Development of Information Systems (Intangible Fixed A (Million yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	FY2006
Investment for Information Systems (Occurring Basis)	325	154	(171)	463
[Non-consolidated]	[317]	[153]	[(164)]	[452]

7. Depreciation Costs (Million yen)

	First Half of FY2006	First Half of FY 2007	Increase (Decrease)	FY2006
Property, Plant and Equipment	2,348	1,955	(393)	4,845
[Non-consolidated]	[1,499]	[1,371]	[(127)]	[3,091]
Intangible Fixed Assets	992	575	(417)	1,929
[Non-consolidated]	[978]	[562]	[415)]	[1,901]

Interim Financial Results of Tanabe Seiyaku for the Period Ended September 30, 2007 <Consolidated Subsidiaries>

1. Number of Consolidated Subsidiaries and Affiliated Companies

	As of Mar. 31, 2007	As of Sep. 30, 2007	Increase (Decrease)	Notes
Number of Consolidated Subsidiaries	17	15	(2)	Excluding Ace Art Co., Ltd. And Tanabe Seiyaku Engineering Co., Ltd.
Number of Affiliated Companies	6	5	(1)	Excluding Tanabe AAI LLC
[Application of Equity Method]	[6]	[5]	[(1)]	
Total	23	20	(3)	

Ace Art Co., and Tanabe Seiyaku Engineering Co., Ltd. were merged by acquisition by Tanabe Total Service Co., Ltd as of April 1, 2007.

Tanabe AAI LLC was liquidated in June 2007 and removed from the scope of consolidation at the end of interim fiscal year.

2. Consolidated Subsidiaries (As of September 30, 2007)

	Company Name	Paid-in Capital (Million yen)	% Voting Control [% Indirect Ownership]	Settling Day
1	Tanabe R&D Service Co., Ltd.	44	100.0 [—]	End of March
2	Tanabe Seiyaku Trading Co., Ltd.	70	100.0 [—]	End of March
3	Tanabe Total Service Co., Ltd.	90	100.0 [7.2]	End of March
4	Tanabe Seiyaku Yoshiki Factory Co., Ltd.	400	100.0 [—]	End of March
5	Tanabe Seiyaku Yamaguchi Co., Ltd.	100	100.0 [—]	End of March
6	P.T. Tanabe Indonesia	US$2,500,000	99.6 [—]	End of December
7	Tanabe Europe N.V.	EUR 260,330	100.0 [—]	End of December
8	Tanabe Research Laboratories U.S.A., Inc.	US$3,000,000	100.0 [100.0]	End of December
9	Tanabe Seiyaku (Malaysia) Sdn. Bhd.	M$500,000	100.0 [—]	End of December
10	Tanabe U.S.A., Inc.	US$1,400,000	100.0 [100.0]	End of December
11	Taiwan Tanabe Seiyaku Co., Ltd.	NT$90,000,000	65.0 [—]	End of December
12	Tai Tien Pharmaceuticals Co., Ltd.	NT$20,000,000	65.0 [—]	End of December
13	Tianjin Tanabe Seiyaku Co., Ltd.	US$12,000,000	66.7 [—]	End of December
14	Tanabe Holding America, Inc.	US$165	100.0 [—]	End of December
15	Tanabe Pharma Development America, LLC.	—	— [—]	End of December

3. Affiliated Companies Accounted for by the Equity Method (As of September 30, 2007)

	Company Name	Paid-in Capital (million yen)	% Voting Control [% Indirect Ownership]	Settleing Day
1	Ogura Art Printing Co., Ltd.	145	30.8 [—]	End of December
2	Koei Shoji Co., Ltd.	10	50.0 [—]	End of July
3	Tama Kagaku Kogyo Co., Ltd.	126	24.4 [—]	End of March
4	Sun Chemical Co., Ltd.	342	48.3 [—]	End of March
5	Synthelabo-Tanabe Chimie S.A.	EUR 1,600,000	50.0 [—]	End of December

Interim Financial Results of Mitsubishi Pharma for the Period Ended September 30, 2007

1.Consolidated Statements of Income

(Million yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	% Change	First Half of FY2006 Consolidated/ Non-consolidated	First Half of FY2007 Consolidated/ Non-consolidated
Net Sales	112,207	113,941	1,734	1.5	1.22	1.21
Operating Income	20,576	21,291	715	3.5	1.25	1.22
Ordinary Income	20,245	20,976	731	3.6	1.12	1.07
Net Income	13,612	10,418	(3,194)	(23.5)	1.07	0.91
Net Income per Share	¥29.69	¥22.73	(¥6.96)	(23.4)	—	—

2.Sales by Type of Business

(Million yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	% Change	Notes
Pharmaceuticals	103,680	105,357	1,677	1.6	Steady performance of Radicut, Anplag and other core products
[% of Total]	[92.4]	[92.5]			
Other Products	8,527	8,584	57	0.7	
[% of Total]	[7.7]	[7.5]			
Total	112,207	113,941	1,734	1.5	
[% of Total]	[100.0]	[100.0]			
[Overseas Sales]	[7,656]	[9,311]	[1,655]	[21.6]	% of Total: 8.2% （First Half of FY 2006: 6.8%）

Sales were classified in two segments of pharmaceuticals and other products from this financial period, while three segments including chemical products were formerely classified in. At the same time, active pharmaceutical ingredients of an affiliated company were reclassified to the segment of pharmaceuticals from that of chemical products. The results for the first half of FY2006 in the above table were also classified in the same way.

3.Sales of Main Products

(Billion yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	% Change
Radicut	14.1	14.6	0.5	3.5
Anplag	8.2	9.3	1.1	13.2
Urso	8.0	8.4	0.5	5.7
Venoglobulin-IH	6.5	6.9	0.4	5.8
Depas	5.7	5.8	0.2	3.2
Liple	5.0	5.3	0.3	6.2
Omeprazon	2.9	3.2	0.3	11.1
Theodur	3.9	3.0	(0.9)	(22.4)
Neuart	2.9	2.9	0.0	(0.5)
Doral	2.3	2.3	0.0	(0.1)
Novastan	1.8	2.2	0.4	23.3
Albumin	1.6	1.9	0.3	20.1
Cholebine	1.8	1.9	0.1	3.2
Kerlong	1.9	1.7	(0.1)	(7.7)
Heparin Na Lock	1.7	1.4	(0.3)	(18.2)
Royalties	0.5	1.0	0.5	99.4

4.Cost of Sales and Selling, General and Administrative Expenses

(Million yen)

	First Half of FY 2006	First Half of FY 2007	Increase (Decrease)	% Change	Notes
Cost of Sales	39,179	38,607	(572)	(1.5)	
[% of Net Sales]	34.9	33.9			
SG&A Expenses	52,452	54,043	1,591	3.0	
[% of Net Sales]	46.8	47.4			
R&D Expenses	22,186	24,111	1,925	8.7	Increase of expenses by starting of overseas clinical trials
[% of Net Sales]	19.8	21.2			
Labor Costs	16,449	15,809	(640)	(3.9)	Reduction of retirement benefit expenses
Other Selling Costs	3,185	3,646	461	14.5	
Others	10,632	10,477	(155)	(1.5)	
Total Labor Costs	28,982	28,719	(263)	(0.9)	

Interim Financial Results of Mitsubishi Pharma for the Period Ended September 30, 2007

5. Non-operating Income and Expenses

(Million yen)

	First Half of Fiscal 2006	First Half of Fiscal 2007	Increase (Decrease)
Non-operating Income	701	734	33
Interest income	151	392	241
Dividend income	165	83	(82)
Foreign exchange gains	39	—	(39)
Rent on real estate	90	86	(4)
Others	256	173	(83)
Non-operating Expenses	1,032	1,049	17
Interest expenses	66	54	(12)
Lossess on disposal of inventories	183	88	(95)
Losses on disposal of property, plant and equipment	—	153	153
Foreign exchange losses	—	6	6
Investment losses on equity method	44	—	(44)
Donations	276	230	(46)
Expenses on an affiliated compnay	—	123	123
Others	463	395	(68)

6. Special Gains and Losses

(Million yen)

	First Half of Fiscal 2006	First Half of Fiscal 2007	Increase (Decrease)	Notes
Special Gains	2,653	151	(2,502)	
Gains on sale of property, plant and equipment	1,252	39	(1,213)	FY2006：sale of Besnesis Yodogawa plant
Gains on sale of investments in securities	—	70	70	
Gains on sale of shares of parent company	1,401	9	3	FY2006：sale of Mitsubishi Chemical Holdings' shares
Others	—	42	42	
Special Losses	364	3,919	3,555	
Additional retirement allowance	171	895	724	
Merger-related expenses	—	1,626	1,626	
Losses on disposal of property, plant and equipment	185	—	(185)	Losses for this financial period were recorded as non-operating expenses
Losses on sale of property, plant and equipment	8	1	(7)	
Losses on plant closure	—	1,354	1,354	Kusu plant of API is scheduled to close in March 2009
HCV litigation allowance	3	43	43	

7. Taxes

(Million yen)

	First Half of Fiscal 2006	First Half of Fiscal 2007	Increase (Decrease)	Notes
Income before income taxes	22,534	17,208	(5,326)	
Income taxes: Current	5,796	5,588	(208)	Decrease of accounts such as dividend income which exclude from gross revenue leads to raise the actual effective tax rate. (Acutual rate:First half of FY2007 42.4%, First half of FY2006 40.7%)
: Deferred	3,380	1,700	(1,680)	
Minority interests	254	498	244	
Net Income	13,612	10,418	(3,194)	

Interim Financial Results of Mitsubishi Pharma for the Period Ended September 30, 2007

1.Balance Sheets (Million yen)

	First Half of FY2006	First Half of FY2007	[Composition %]	Increase (Decrease)	Notes (Billion Yen) Comparison with First Half of FY2006
Total Assets	323,364	331,119 [100.0]	100.0	7,755	
Current assets	220,494	223,574	67.5	3,080	Cash and cash equivalents: 26.1, Notes and accounts receivable*1: (3.0), Inventory assets: 3.2, Short-term loans:(23.2)
Fixed assets	102,870	107,545	32.5	4,675	Property, plant and equipment: (2.8), Intangible fixed assets:0.9, Investment in securities:(2.6), Prepaid pension expenses: 4.8, Other investments:4.3
Total Liabilities	70,122	70,631	21.3	509	
Current liabilities	59,989	59,100	17.8	(889)	Notes and accounts payable*2: (1.8), Income taxes payable:3.5, Accrued payables:3.8, Other current liabiliteis: 0.9
Long-term liabilities	10,133	11,531	3.5	1,398	Deferred income taxes: 2.3, Accured employees' Retirement benefits: 0.1, Other long-term liabilities:(0.4)
Net Assets	253,242	260,488	78.7	7,246	
Total shareholders' equity	239,393	243,291	73.5	3,898	Retained earnings: 3.9
Total other comprehensive income	4,472	4,061	1.2	(411)	Net unrealized gains on securities: (1.0)
Minority interests	9,377	13,136	4.0	3,759	

2.Increase (Decrease) of Major Items in Table (Million yen)

	First Half of FY 2006	First Half of FY2007	Increase (Decrease)	Notes (Billion Yen) Upper: comparison with First Half of FY2006 Lower: comparison with the end of FY2006
Cash and cash equivalents	13,905	40,032	26,127	See page 16, Statements of Cash Flows
Notes and accounts receivable* [Months/Revolution]	74,486 [3.93months]	71,468 [3.76months]	(3,018) [0.17months]	
Inventories	43,827	47,035	3,208	
Short-term loans	72,653	49,425	(23,228)	Decrease in loans to MCFA, a group financing company of Mitsubishi Chemical Holdings
Deferred income taxes	13,243	13,563	320	
Others	2,380	2,051	(329)	
Property, plant and equipment	71,251	68,477	(2,774)	Depreciation: 4.2, Investment for plant and equipment: 2.2, Retirement of fixed assets: (0.8)
Intangible fixed assets	2,192	3,104	912	Amortization: (0.5), Investment for information systems: 1.1
Investment in securities	16,508	13,904	(2,604)	Decrease accompanied with the transfer from equity method affiliates to consolidated ones:(1.3)
Prepaid pension expenses	10,215	15,008	4,793	Cost for retirment benefit changed to credit side Increase of premium
Other investments	2,704	7,052	4,348	Long-term deposit of MP Healthcare Venture Management: 3.0
Notes and accounts payable*2	19,536	17,700	(1,836)	
Income taxes payable	2,720	6,252	3,552	Transfer of the account ftom accured payable to income tax payable by separating from the group applied the consolidated tax system accompany with the merger
Accrued Payable	14,466	10,692	(3,774)	
Allowance for settlement of HIV litigation	1,343	1,343	—	
Other current liabilities	14,759	15,636	877	
Liabilities with Interest	8,485	8,141	(344)	
Short-term Debt *3	7,165	7,477	312	Increase of debt of an affiliated company
Long-term Debt *4	1,320	104	(30)	Decrease by refund of affiliated companies
Deferred income taxes	1,345	3,673	2,328	Premium for retirement benefit
Accrued Employees' Retirement Benefits	4,608	4,718	110	
HCV litigation allowance	2,092	2,135	43	
Other long-term liabilities	768	341	(427)	
Common Stock	30,560	5,738	(24,822)	Capital decrese:transfer from common stock to additional paid-in capital
Additional Paid-in Capital	70,974	95,796	24,822	
Retained Earnings	137,859	141,757	3,898	Net income:10.4, Cash dividends: (6.5)
Unrealized gains on available-for-sale securities net of applicable income taxes	5,210	4,201	(1,009)	

*1 : Note and accounts receivable = Bills + Accounts receivable

*2 : Note and account payable = Bills (except non-operating bills) + Accounts payable

*3 and *4 Debt: Long-term loans includes long-term loans due within one year.

Interim Financial Results of Mitsubishi Pharma for the Period Ended September 30, 2007

3.Statements of Cash Flows

(Million yen)

	First Half of FY 2006	First Half of FY 2007	Increase (Decrease)	FY 2006	Notes (Billion yen)
Cash and Cash Equivalents at the Beginning of the Period	63,812	85,182	21,370	63,812	
Net Cash Provided by Operating Activities	13,609	9,638	(3,971)	28,072	
Net Cash Provided by (Used in) Investing Activities	5,730	(5,606)	(11,336)	4,357	Long-term deposit:(2.9), [FY2006: － First Half of FY2007: (2.9)] Sale/acquisition of property, plant and equipment: (1.0) [FY2006: (1.0) First Half of FY2007: (2.1)] Sale/acquisition of investment of securities: (0.2), [First Half of FY2006: (0.0) First Half ofFY2007: (0.3)] Sale of parent's stock: (7.0), [FY2006: 7.0 First Half ofFY2007: －]
Net Cash Provided by (Used in) Financing Activities	(7,711)	(2,750)	(4,961)	(11,239)	Payment for shares of minority shareholders:4.2[FY2006: － First Half of FY2007:4.2] Divident Payment：0.6[FY2006:(7.1) Half of FY2007:(6.5)]
Effect of Exchange Rate Changes on Cash and Cash Equivalents	75	378	303	180	
Increase(Decrease) in Cash and Cash Equivalents	11,703	1,660	(10,043)	21,370	
Increase in cash and cash equivalents by increase of consolidated	—	1,277	1,277	—	
Cash and Cash Equivalents at End of the Period	75,515	88,119	12,604	85,182	

* The Reconciliation of Cash and Cash Equivalents in the Consolidated Balance Sheets and Cash and Cash Equivalents in the Consolidated Statements of Cash Flows at the End of the Period.

(Million yen)

	First Half of FY 2006	First Half of FY2007	FY 2006
Cash and Cash Equivalents in the Consolidated Balance Sheets	12,981	40,032	13,905
Short-term Loans	63,787	49,425	72,653
Time Deposits Maturing after Three Months	(1,153)	(1,250)	(1,281)
Short-term Loans excluding Cash and Cash Equivalents	(100)	(88)	(95)
Cash and Cash Equivalents in the Consolidated Statements of Cash Flows	75,515	88,119	85,182

4.Cash Flow Indicators

	FY20006	First Half of FY 2007	Notes
Shareholders' equity ratio [%]	75.4		Shareholders' equity [¥243,865 million] / total assets [¥323,364 million]
		74.7	Shareholders' equity [¥247,352 million] / total assets [¥28,072 million]
Debt repayment period [years]	0.3		Interest bearing debt [¥8,485million] / operating cash flow [¥28,072 million]
		0.4	Interest bearing debt [¥8,141 million]/{operating cash flow [¥9,638 million]x2}* *:Double net cash provided by operating activities to convert annual basis
Interest coverage ratio	217.6		Operating cash flow [¥28,072 million]/interest paid [¥129 millon]
		172.1	Operating cash flow [¥9,638 million]/interest paid [¥56 millon]

5. Investment in Property, Plant and Equipment

(Million yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	FY2006
Investment in Property, Plant and Equipment (Occurring basis)	2,654	2,225	(429)	5,173
[Non-consolidated]	[962]	[920]	[(42)]	[1602]

<Major Investment in Property, Plant and Equipment in First Half of Fiscal 2007>

	Billion yen
Headquarters and Branches Facilities	0.2
Facilities and Equipments in Laboratories	0.7
Subsidiaries' Facilities	1.3
[Production Facilities at MP-Technophama]	[0.3]

6. Investment for Development of Information Systems (Intangible Fixed

(Million yen)

	First Half of FY2006	First Half of FY2007	Increase (Decrease)	FY2006
Investment for Information Systems (Occurring Basis)	57	1,089	1,032	146
[Non-consolidated]	[42]	[1,021]	[(979)]	[100]

<Major Investment in Information System in First Half of Fiscal 2007>

	Billion yen
System for merger	0.9
Others	0.1

7. Depreciation Costs

(Million yen)

	First Half of FY2006	First Half of FY 2007	Increase (Decrease)	FY2006
Property, Plant and Equipment	4,620	4,196	(424)	9,587
[Non-consolidated]	[1,823]	[1,623]	[(191)]	[3,827]
Intangible Fixed Assets	512	462	(50)	1,015
[Non-consolidated]	[392]	[343]	[(48)]	[767]

Interim Financial Statements of Mitsubishi Pharma for the Period Ended September 30, 2007 <Consolidated Subsidiaries>

1.Number of Consolidated Subsidiaries and Affiliated Companies

	As of March 31,2006	As of March 31,2007	Number of Change	Notes
Number of Consolidated Subsidiaries	13	18	5	Five equity method affliates, Fuji Kosan, Mitsubishi Pharma America, Mitsubishi Pharma Europe, Mitsubishi Pharma Deutschland and Mitsubishi Pharma Research & Development (Beijing), were included in consolidated subsidiaries from this financial period.
Number of Affiliated Companies	6	1	(5)	
[Application of Equity Method]	[(5)]	[–]	[(5)]	
Total	19	19	0	

2.Financial Data & Number of Employees of Major Consolidated Subsidiaris (Million yen)

Companies	Fiscal Year	Yoshitomiyakuhin Corporation	Benesis Corporation	MP-Technophama Corpration	Mitsubishi Pharma (Guangzhou) Co., Ltd.	API Corporation
Paid-in Capital	Fisrt Half of FY2007	385	3,000	1,130	1,268	4,000
	FY2006	385	3,000	1,130	1,268	4,000
	First Half of FY2006	385	3,000	1,130	1,268	4,000
% Voting Control	Fisrt Half of FY2007	100.0	100.0	100.0	100.0	52.6
	FY2006	100.0	100.0	100.0	100.0	52.6
	First Half of FY2006	100.0	100.0	100.0	100.0	52.6
Total Assets	Fisrt Half of FY2007	4,991	28,398	24,266	4,248	34,401
	FY2006	5,348	29,388	22,667	3,903	36,841
	First Half of FY2006	4,345	30,773	20,329	3,557	35,103
Net Assets	Fisrt Half of FY2007	3,991	22,494	9,767	3,584	11,567
	FY2006	3,957	22,825	9,804	3,366	12,018
	First Half of FY2006	3,352	22,340	9,314	2,974	12,149
Net Sales	Fisrt Half of FY2007	3,009	8,135	11,225	1,478	18,853
	FY2006	6,678	18,847	23,511	2,956	41,715
	First Half of FY2006	2,948	10,678	11,345	1,224	20,348
Operating Income	Fisrt Half of FY2007	878	1,343	641	230	510
	FY2006	2,413	2,995	1,381	427	918
	First Half of FY2006	886	2,136	610	178	621
Ordinary Income	Fisrt Half of FY2007	873	1,298	582	242	413
	FY2006	2,409	2,838	1,353	444	812
	First Half of FY2006	882	2,031	591	183	559
Net Income and Loss	Fisrt Half of FY2007	452	844	344	206	(389)
	FY2006	1,298	2,349	763	365	306
	First Half of FY2006	462	1,864	273	152	269
R&D Expenses	Fisrt Half of FY2007	—	1,490	287	1	923
	FY2006	—	2,888	603	13	2,187
	First Half of FY2006	—	1,437	341	3	963
Depreciation of Property, Plant and Equipment	Fisrt Half of FY2007	1	877	519	45	756
	FY2006	2	2,155	1,025	107	1,782
	First Half of FY2006	1	1,055	501	62	846
Number of Employees	Fisrt Half of FY2007	226	421	501	383	710
	FY2006	227	417	452	364	694
	First Half of FY2006	223	423	453	354	695

Forecasts for FY2007 Ending March 31, 2008

1.Consolidated Forecasts of Profit and Loss (Accounting Standars Basis)

(Million yen)

	FY2006	*1 FY2007 (Forecasts)	Increase (Decrease)	% Change
Net Sales	177,531	318,000	140,469	79.1
Cost of Sales	68,954	113,000	44,046	63.9
SG & A Expensiss	78,120	153,000	74,879	95.9
Operating Income	30,456	52,000	21,544	70.7
Ordinary Income	32,346	52,000	19,653	60.8
Net Income	20,174	26,000	5,826	28.9
Net Inome per Share	\82.36	\59.26	\(23.10)	(28.0)

*1: Forecasts of FY2007 (Consolidated) = Results for First Half of FY 2007 of Mitsubishi Pharma + Forecasts for Second Half of FY2007 of Mitsubishi Tanabe Pharma

2.Consolidated Forecasts of Profit and Loss (Simple Sum)

(Million yen)

	FY2006			FY2007 (Forecasts)			Increase (Decrease)	% Change
	Tanabe	Mitsubishi Pharma	Simple Sum	First Half of FY2007 Tanabe	FY2007 Mitsubishi Tanabe	Simple Sum		
Net Sales	177,531	227,517	405,048	93,791	318,000	411,791	6,743	1.7
Cost of Sales	68,954	79,996	149,950	37,148	113,000	150,148	1,198	0.8
% of Net Sales	38.8%	35.2%	36.8%	39.6%	35.5%	36.5%		
SG & A Expensiss	78,120	107,566	185,686	38,198	153,000	191,198	5,512	3.0
% of Net Sales	44.0%	47.2%	45.8%	40.7%	48.1%	46.4%		
Operating Income	30,456	39,995	70,411	18,444	52,000	70,444	33	0.0
Ordinary Income	32,346	39,307	71,653	19,232	52,000	71,232	(421)	(0.6)
Special Gains	1,598	4,049	5,647	23	151	174	(5,473)	
Special Losses	749	2,942	3,691	2,940	7,151	10,091	6,400	
Net Income	20,174	24,305	44,479	9,939	26,000	35,939	(8,540)	(19.2)
Non-recurring Expenses Related to the Merger	—	—	—	2,760	5,000	7,760	7,760	—

For more detail on simple sum, refer to page 20 to 24.

＜Reference＞ Non-colidated Forecasts of Profit and Loss (Accounting Standards Basis)

(Million yen)

	FY2006	*2 FY2007 (Forecasts)	Increase (Decrease)	% Change
Net Sales	169,930	271,000	101,070	59.5
Cost of Sales	66,728	102,000	35,272	52.9
Selling, General & Administrative	74,651	122,000	47,349	63.4
Operating Income	28,550	47,000	18,450	64.6
Ordinary Income	30,597	49,000	18,403	60.1
Net Income	19,399	27,500	8,101	41.8
Net Inome per Share	¥79.19	¥68.23	¥(10.96)	(13.8)

*2: Forecasts of FY2007 (Non-consolidated) = Results for First Half of FY 2007 of Tanabe Seiyaku + Forecasts for Second Half of FY2007 of Mitsubishi Tanabe Pharma

Forecasts for FY2007 Ending March 31, 2008 <Consolidated, Simple Sum>

1.Consolidated Forecasts of Profit and Loss (Million yen)

	Second Half of FY2006	Second Half of FY2007 (Forecasts)	Increase (Decrease)	% Charge	FY2006	FY2007 (Forecasts)	Increase (Decrease)	% Change
Net Sales	207,368	204,059	(3,309)	(1.6)	405,048	411,791	6,743	1.7
Cost of Sales	77,557	74,393	(3,164)	(4.1)	148,950	150,148	1,198	0.8
% of Net Sales	37.4%	36.5%			36.8%	36.5%		
SG & A Expenses	94,070	98,957	4,887	5.2	185,686	191,198	5,512	3.0
% of Net Sales	45.4%	48.5%			45.8%	46.4%		
Operating Income	35,741	30,709	(5,032)	(14.1)	70,411	70,444	33	0.0
Ordinary Income	36,195	31,024	(5,171)	(14.3)	71,653	71,232	(421)	(0.6)
Special Gains	2,922	—	(2,922)		5,647	174	(5,473)	
Special Losses	3,307	3,232	(75)		3,691	10,091	6,400	
Net Income	21,348	15,582	(5,766)	(27.0)	44,479	35,939	(8,540)	(19.2)
Non-recurring Expenses Related to the Merger	—	2,698	2,698	—	—	7,760	7,760	—

2. Sales by Type of Business (Million yen)

	Second Half of FY2006	Second Half of FY2007 (Forecasts)	Increase (Decrease)	% Change	FY2006	FY2007 (Forecasts)	Increase (Decrease)	% Change
Pharmaceuticals	191,599	188,778	(2,821)	(1.5)	374,189	381,481	7,292	1.9
% of Net Sales	92.4%	92.5%			92.4%	92.6%		
Ethical Drugs	188,881	186,178	(2,703)	(1.4)	368,622	375,800	7,177	1.9
OTC Drugs	2,718	2,600	(118)	(4.3)	5,567	5,681	114	2.1
Other Businesses	15,768	15,281	(487)	(3.1)	30,858	30,309	(549)	(1.8)
% of Net Sales	7.6%	7.5%			7.6%	7.4%		
Total	207,368	204,059	(3,309)	(1.6)	405,048	411,791	6,743	1.7
% of Net Sales	100.0%	100.0%		100.0%	100.0%	100.0%		
Overseas Sales*	17,489	19,290	1,801	10.3	33,601	38,190	4,589	13.7

*Estimated exchange rate:1$=115

3.Sales Forecasts of Main Products (Million yen)

	Second Half of FY2006	Second Half of FY2007 (Forecasts)	Increase (Decrease)	% Change	FY2006	FY2007 (Forecasts)	Increase (Decrease)	% Change
Radicut	145	144	(1)	(0.6)	286	290	4	1.4
Remicase	112	148	36	31.9	205	283	78	38.0
Urso	79	94	14	18.0	159	178	19	11.8
Anplag	84	93	9	10.2	167	186	19	11.7
Herbesser (Domestic)	66	61	(5)	(8.0)	134	128	(6)	(4.5)
Herbesser (Overseas)	21	24	4	16.8	46	48	3	6.0
Ceredist	72	72	0	0.0	145	151	6	4.1
Tanatril(domestic)	63	60	(4)	(6.0)	128	124	(4)	(3.1)
Tanatril (Overseas)	7	9	2	22.0	17	20	3	15.4
Venoglobulin-IH	68	67	(0)	(0.7)	132	136	3	2.5
Depas	56	57	1	2.1	113	116	3	2.7
Liple	52	50	(2)	(4.4)	102	103	1	0.8
Maintate	50	50	0	0.6	99	102	3	2.9
Sermion	50	42	(8)	(16.0)	102	93	10	(9.4)
Talion	44	55	12	26.5	70	89	19	27.2
Omeprazon	30	32	2	8.1	59	65	6	9.6
Gastrom	31	28	(2)	(7.1)	61	59	(3)	(4.2)
Theodur	38	29	(9)	(23.6)	77	59	(18)	(23.0)
Neuart	30	28	(1)	(4.6)	59	57	(2)	(2.6)
Fulcaliq	27	26	(1)	(3.3)	53	53	(1)	(1.6)
Vaccine (Domestic)	93	78	(15)	(16.4)	142	146	4	2.6
Vaccine (Overseas)	12	9	(3)	(27.3)	19	20	0	1.5

Forecasts for FY2007 Ending March 31, 2008 <Consolidated, Simple Sum>

4. Forecasts of SG&A Expenses／Total Labor Cost

(Million yen)

	Second Half of FY2006	Forecasts of Second Half of FY2007	Increase (Decrease)	% Change	FY2006 Actual	FY2007 Forecasts	Increase (Decrease)	% Change
SG&A expenses	94,070	98,957	4,887	5.2	185,686	191,198	5,512	3.0
R&D Expenses	39,532	38,889	(643)	(1.6)	75,758	75,528	(230)	(0.3)
% of Net Sales	19.1%	19.1%			18.7%	18.3%		
Labor Costs	27,584	25,476	(2,108)	(7.6)	55,281	52,668	(2,613)	(4.7)
Goodwill Amoritization*	—	5,000	5,000	—	—	5,000	5,000	—
Others	26,952	29,592	2,640	9.8	54,646	58,002	3,356	6.1
Total Labor Costs	48,145	46,498	(1,647)	(3.4)	96,352	94,845	(1,507)	(1.6)

* Clear off 150 billion yen within 15 years, and clear off 5 billion yen in FY2007.

5.Forecasts of Investment in Property, Plant and Equipment

(Million yen)

	Second Half of FY2006	Forecasts of Second Half of FY2007	Increase (Decrease)	% Change	FY2006 Actual	FY2007 Forecasts	Increase (Decrease)	% Change
Investment in Propety, Plant and Equipment (Occuring basis)	4,738	5,000	262	5.5	9,541	11,244	1,703	17.8

＜Major Investment in Property, Plant and Equipment in FY2007＞ (Billion yen)

- Facilities & Equipment in Laboratories 2.5
- Facilities and Equipments in Laboratories 1.2
- Production Facilities 0.7
- Subsidiaries' Facilities 6.3

6.Investment for Development of Information Systems (Intangible Fixed Assets)

(Milion yen)

	Second Half of FY2006	Forecasts of Second Half of FY2007	Increase (Decrease)	% Change	FY2006 Actual	FY2007 Forecasts	Increase (Decrease)	% Change
Investment for Information Systems (Occurring basis)	226	800	574	254.0	609	2,043	1,434	235.5

＜Major Investment in Property, Plant and Equipment in FY2007＞ (Billion yen)

- System related to merger 1.0
- Others 1.0

7.Forecasts for Depreciation Costs

(Milion yen)

	Second Half of FY2006	Forecasts of Second Half of FY2007	Increase (Decrease)	% Change	FY2006 Actual	FY2007 Forecasts	Increase (Decrease)	% Change
Property, Plant and Equipmen	7, 464	7, 100	(364)	(4. 9)	14, 432	13, 251	(1, 181)	(8. 2)
Intangible Fixed Assets	1, 440	900	(540)	(37. 5)	2, 944	1, 937	(1, 007)	(34. 2)

Forecasts for FY2007 Ending March 31, 2008 <Consolidated, Simple Sum>

8. Comparison with Initial Forecasts (Billion yen)

	First Half of FY2007			Second Half of FY2007			FY2007		
	Initial Forecasts	Actual	% Change	Initial Forecasts	Forecasts	% Change	Initial Forecasts	Forecasts	% Change
Net Sales	205.0	207.7	1.3	213.5	204.1	(4.4)	418.5	411.8	(1.6)
Pharmaceuticals		192.7	—		188.8	—		381.5	—
Radicut	14.9	14.6	(2.2)	14.8	14.4	(2.4)	29.7	29.0	(2.3)
Remicade	12.6	13.5	7.3	14.5	14.8	2.1	27.0	28.3	4.5
Anplag	9.6	9.3	(3.3)	9.5	9.3	(2.1)	19.1	18.6	(2.7)
Urso	9.2	8.4	(8.5)	10.3	9.4	(9.1)	19.5	17.8	(8.8)
Herbesser (Domestic)	6.5	6.7	3.8	6.4	6.1	(4.2)	12.8	12.8	(0.2)
Herbesser (Overseas)	2.4	2.4	2.1	2.2	2.4	10.4	4.6	4.8	6.1
Ceredist	7.7	7.9	2.5	7.7	7.2	(5.6)	15.3	15.1	(1.5)
Tanatril (Domestic)	6.2	6.4	2.9	6.1	6.0	(2.1)	12.3	12.4	0.4
Tanatril (Overseas)	0.8	1.1	31.6	1.0	0.9	(15.0)	1.9	2.0	6.0
Venoglobuloin-IH	6.6	6.9	3.8	6.7	6.7	(0.0)	13.3	13.6	1.9
Depas	5.9	5.8	(1.0)	5.9	5.7	(2.7)	11.8	11.6	(1.9)
Liple	5.3	5.3	0.4	5.1	5.0	(2.4)	10.4	10.3	(1.0)
Maintate	5.1	5.2	2.1	5.1	5.0	(1.7)	10.2	10.2	0.2
Sermion	4.7	5.1	7.7	4.4	4.2	(5.8)	9.1	9.3	1.2
Talion	2.9	3.3	15.8	5.5	5.5	0.5	8.4	8.9	5.8
Omeprazon	3.2	3.2	0.6	3.4	3.2	(5.6)	6.6	6.5	(2.6)
Gastrom	3.0	3.0	0.5	2.9	2.8	(2.4)	5.9	5.9	(0.9)
Theodur	3.3	3.0	(10.1)	3.4	2.9	(15.0)	6.8	5.9	(12.6)
Neuart	2.9	2.9	(0.5)	2.9	2.8	(3.5)	5.8	5.7	(2.0)
Fulcaliq	2.5	2.7	5.1	2.5	2.6	5.0	5.0	5.3	5.1
Vaccine (Domestic)	5.5	6.9	25.5	7.8	7.8	(0.5)	13.3	14.6	10.2
Vaccine (Overseas)	0.7	1.1	56.4	0.8	0.9	5.6	1.5	2.0	28.6
OTC Products	2.9	3.1	6.3	2.6	2.6	0.0	5.5	5.7	3.3
Other Businesses		15.0	—		15.3	—		30.3	—
Cost of Sales		75.8	—		74.4	—	153.5	150.1	(2.2)
% of Net Sales		36.5%			36.5%		36.7%	36.5%	
Selling, General & Administrative		92.2	(4.0)	100.0	99.0	(1.0)	196.0	191.2	(2.5)
R&D Expenses	39.1	36.6	(6.3)	39.4	38.9	(1.3)	78.5	75.5	
Labor Csts		27.2	—		25.5	—		52.7	—
Other Selling Costs		7.1	—	5.0	5.0	—	5.0	5.0	—
Others		21.3	—		29.6	—		58.0	—
Operating Income	34.5	39.7	15.2	34.5	30.7	(11.0)	69.0	70.4	2.1
Ordinary Income	34.5	40.2	16.5	35.0	31.0	(11.4)	69.5	71.2	2.5
Net Income	17.5	20.4	16.3	20.0	15.6	(22.1)	37.5	35.9	(4.2)

Forecasts for FY2007 Ending March 31, 2008 <Consolidated, Simple Sum>

9. Quarterly Trend for FY2006 and FY2007 (P/L)

(Million yen)

	FY2006					FY2007			
	1Q Apr. to Jun.	2Q Jul. to Sep.	3Q Oct. to Dec.	4Q Jan. to Mar.	Total	1Q Apr.to Jun.	2Q Jul. to Sep.	Second Half Forecasts	Total Forecasts
Net Sales	102,899 25.4%	94,780 23.4%	117,168 28.9%	90,199 22.3%	405,048 100.0%	104,913 25.5%	102,819 25.0%	204,059 49.6%	411,791 100.0%
Pharmaceuticals	95,568 25.5%	87,021 23.3%	109,625 29.3%	81,974 21.9%	374,189 100.0%	97,461 25.5%	95,242 25.0%	188,778 49.5%	381,481 100.0%
Other Business	7,330 23.8%	7,759 25.1%	7,543 24.4%	8,225 26.7%	30,858 100.0%	7,451 24.6%	7,576 25.0%	15,281 50.4%	30,309 100.0%
Cost of Sales % of Net Sales	36,487 35.5%	34,905 36.8%	42,621 36.4%	34,935 38.7%	148,950 36.8%	38,849 37.0%	36,906 35.9%	74,393 36.5%	150,148 36.5%
SG & A Expenses	43,258 23.3%	48,358 26.0%	44,704 24.1%	49,365 26.6%	185,686 100.0%	44,278 23.2%	47,962 25.1%	98,957 51.8%	191,198 100.0%
R&D Expenses	16,677 22.0%	19,548 25.8%	17,809 23.5%	21,723 28.7%	75,758 100.0%	17,775 23.5%	18,863 25.0%	38,900 51.5%	75,539 100.0%
Labor Costs	13,577 24.6%	14,119 25.5%	13,758 24.9%	13,824 25.0%	55,280 100.0%	13,473 49.5%	13,719 50.5%	0 0.0%	27,192 100.0%
Others	13,002 23.8%	14,690 26.9%	13,315 24.0%	13,818 25.3%	54,647 100.0%	13,029 20.7%	15,379 24.4%	34,592 54.9%	63,001 100.0%
Operating Income	23,153 32.9%	11,516 16.4%	29,917 42.5%	5,823 8.3%	70,411 100.0%	21,784 30.9%	17,950 25.5%	30,709 43.6%	70,444 100.0%
Ordinary Income	24,063 33.6%	11,395 15.9%	30,620 42.7%	5,575 7.8%	71,653 100.0%	22,703 31.9%	17,505 24.6%	31,024 43.6%	71,232 100.0%
Net Income	14,941 33.6%	8,189 18.4%	18,295 41.1%	3,052 6.9%	44,479 100.0%	12,927 36.0%	7,429 20.7%	15,582 43.4%	35,939 100.0%

The each figure (excluding Cost of Sales) in the lower displays the progress rate.

Forecasts for FY2007 Ending March 31, 2008 <Consolidated, Simple Sum>

10. Quarterly Sales Trend for FY2006 and FY2007 (Sales of Main Products) (Billion yen)

	FY2006					FY2007			
	1Q Apr. to	2Q Jul. to	3Q Oct. to	4Q Jan. to	Total	1Q Apr.to	2Q Jul. to	Second Half	Total Forecasts
Radicut	7.1	7.0	8.3	6.2	28.6	7.2	7.4	14.4	29.0
	24.9%	24.4%	29.2%	21.5%	100.0%	25.0%	25.4%	49.7%	100.0%
Remicade	4.6	4.6	6.0	5.2	20.5	6.3	7.2	14.8	28.3
	22.7%	22.7%	29.3%	25.4%	100.0%	22.2%	25.6%	52.2%	100.0%
Anplag	4.1	4.1	4.7	3.7	16.7	4.5	4.8	9.3	18.6
	24.9%	24.5%	28.2%	22.4%	100.0%	24.4%	25.7%	49.9%	100.0%
Urso	4.0	4.0	4.4	3.5	15.9	4.2	4.2	9.4	17.8
	25.3%	24.8%	27.7%	22.1%	100.0%	23.7%	23.8%	52.6%	100.0%
Herbesser (Domestic)	3.8	3.0	4.0	2.6	13.4	3.6	3.1	6.1	12.8
	28.5%	22.1%	29.9%	19.4%	100.0%	28.3%	24.2%	47.6%	100.0%
Herbesser (Overseas)	1.3	1.2	1.0	1.1	4.6	1.1	1.3	2.4	4.8
	28.0%	26.1%	21.3%	24.6%	100.0%	22.5%	27.0%	50.5%	100.0%
Ceredist	4.0	3.2	4.4	2.9	14.5	4.1	3.8	7.2	15.1
	27.8%	22.2%	30.1%	19.8%	100.0%	27.0%	25.0%	48.0%	100.0%
Tanatril (Domestic)	3.6	2.9	3.9	2.4	12.8	3.4	3.0	6.0	12.4
	28.0%	22.5%	30.6%	19.0%	100.0%	27.8%	24.1%	48.1%	100.0%
Tanatoril (Overseas)	0.6	0.4	0.3	0.4	1.7	0.4	0.7	0.9	2.0
	32.3%	26.0%	16.2%	25.5%	100.0%	21.9%	34.0%	44.1%	100.0%
Venoglobulin-IH	3.3	3.1	3.8	2.9	13.2	3.5	3.4	6.7	13.6
	25.2%	23.7%	29.0%	22.1%	100.0%	25.6%	24.9%	49.5%	100.0%
Depas	2.9	2.8	3.1	2.5	11.3	2.9	2.9	5.7	11.6
	25.5%	24.7%	27.8%	22.0%	100.0%	25.4%	25.2%	49.5%	100.0%
Liple	2.6	2.5	2.8	2.4	10.2	2.6	2.7	5.0	10.3
	25.0%	24.0%	27.7%	23.3%	100.0%	25.6%	26.0%	48.3%	100.0%
Maintate	2.8	2.2	2.9	2.0	9.9	2.8	2.5	5.0	10.2
	27.9%	22.0%	29.7%	20.4%	100.0%	27.1%	24.0%	48.9%	100.0%
Sermion	2.9	2.3	3.0	1.9	10.2	2.7	2.3	4.5	9.6
	28.4%	22.9%	29.9%	18.9%	100.0%	28.6%	24.5%	46.9%	100.0%
Talion	1.6	1.0	1.8	2.6	7.0	1.8	1.5	5.2	8.6
	22.6%	14.7%	25.9%	36.8%	100.0%	21.0%	18.0%	61.0%	100.0%
Omeprazon	1.5	1.5	1.7	1.3	5.9	1.6	1.7	3.2	6.5
	24.9%	24.7%	28.4%	22.0%	100.0%	24.3%	25.9%	49.8%	100.0%
Gastrom	1.7	1.4	1.8	1.2	6.1	1.6	1.4	2.8	5.9
	27.3%	22.8%	29.8%	20.1%	100.0%	27.2%	24.3%	48.4%	100.0%
Tehodur	2.1	1.8	2.4	1.4	7.7	1.6	1.4	2.9	5.9
	26.9%	23.4%	31.2%	18.5%	100.0%	27.1%	23.7%	49.3%	100.0%
Neuart	1.5	1.4	1.8	1.2	5.9	1.4	1.5	2.8	5.7
	26.3%	23.2%	30.6%	20.0%	100.0%	24.6%	25.9%	49.5%	100.0%
Fulcaliq	1.4	1.3	1.6	1.1	5.3	1.4	1.3	2.6	5.3
	25.7%	24.1%	29.8%	20.4%	100.0%	25.9%	24.8%	49.3%	100.0%
Vaccine (Domestic)	1.7	3.3	8.0	1.2	14.2	4.0	2.8	7.8	14.6
	11.9%	23.0%	56.4%	8.7%	100.0%	27.6%	19.3%	53.1%	100.0%
(Influenza)	(0.1)	(1.2)	6.3	(1.0)	6.3	(0.1)	1.0	4.7	5.6
	(2.1%)	18.5%	99.4%	(15.7%)	100.0%	(1.5%)	17.5%	84.0%	(100.0%)
(Mearubik)	1.3	1.6	1.4	1.7	5.9	3.1	1.3	2.3	6.7
	21.4%	26.7%	23.2%	28.6%	100.0%	46.8%	19.2%	34.0%	100.0%
Vaccine (Overseas)	0.3	0.5	0.8	0.5	1.9	0.7	0.4	0.9	2.0
	14.0%	23.2%	38.7%	24.0%	100.0%	34.3%	20.8%	44.9%	100.0%
Ethical Drugs	94.1	85.6	1,108.3	80.6	368.6	96.1	93.5	186.2	375.8
	25.5%	23.2%	29.4%	21.9%	100.0%	25.6%	24.9%	49.5%	100.0%
OTC Drugs	1.5	1.4	1.4	1.4	5.6	1.4	1.7	2.6	5.7
	26.2%	25.0%	24.5%	24.4%	100.0%	24.4%	29.8%	45.8%	100.0%
Pharmaceuticasl	95.6	87.0	109.6	82.0	374.2	97.5	95.2	188.8	381.5
	25.5%	23.3%	29.3%	21.9%	100.0%	25.5%	25.0%	49.5%	100.0%
Other Businesses	7.3	7.8	7.5	8.2	30.9	7.5	7.6	15.3	30.3
	23.8%	25.1%	24.4%	26.7%	100.0%	24.6%	25.0%	50.4%	100.0%
Total	102.9	94.8	117.2	90.2	405.0	104.9	102.8	204.1	411.8
	25.4%	23.4%	28.9%	22.3%	100.0%	25.5%	25.0%	49.6%	100.0%

The each figure in the lower displays the progress rate.

State of New Product Development （as of 1st Nov. 2007)

1. Pipeline in Japan

① New Molecular Entities

Development code (Generic name)	Category (Indications)	Stage	Origin	Remarks
TA-8317 (Fentanyl)	Narcotic analgesic (Breakthrough cancer pain: oral transmucosal)	PhaseⅢ	US:Cephalon	
MCC-847	Leukotriene D4 antagonist （Asthma）	PhaseⅢ	UK: AstraZeneca	
	(Allergic Rhinitis)	Phase Ⅱ		
APTA-2217 (Roflumilast)	PDEIV inhibitor (Asthma)	Phase Ⅱ/Ⅲ	Denmark: Nycomed	Co-development -Nycomed
	(COPD)	Phase Ⅱ/Ⅲ		
FTY720 (Fingolimod hydrochloride)	Sphingosine-1- phosphate receptor modulator （Multiple Sclerosis）	Phase Ⅱ	In-house	Co-development -Novartis Pharma -Mitsui Sugar
MP-513	DPPIV Inhibitor （Type 2 Diabetes Mellitus）	Phase Ⅱ	In-house	
MP-424	NS3-4A protease inhibitor (Chronic hepatitis C)	Phase Ⅰ	US:Vertex	（VX-950）
MP-214	D3/D2 antagonist (Schizophrenia)	Phase Ⅰ	Hungary: Gedeon-Richter	(RGH-188)
MP-435	C5a antagonist (Rheumatoid arthritis)	Phase Ⅰ	In-house	
TA-6666	DPPIV inhibitor (Type 2 Diabetes Mellitus)	Phase Ⅰ	In-house	
CNTO-148 (Golimumab)	Anti-TNFα monoclonal antibody (Rheumatoid arthritis)	Phase Ⅰ	US:Centocor	Co-development -Janssen Pharma
TA-7284	SGLT2 inhibitor (Diabetes mellitus)	Phase Ⅰ	In-house	

State of New Product Development （as of 1st Nov. 2007)

② Additional Indications

Development code (Generic name)	Category (Indications)	Stage	Origin	Remarks
Neuart (Freeze-dried Concentrated Human Anthithromibin Ⅲ)	Anticoagulant (Toxemia of Pregnancy)	sNDA filed	In-house	Co-development -CSL Behring
Remicade （Infliximab〔recombinant〕）	Anti-TNFα monoclonal antibody (Crohn's disease, maintenance)	sNDA filed	US:Centocor	
	(Rheumatoid arthritis: dose escalation)	sNDA filed		
	(Ulcerative colitis)	PhaseⅢ		
	(Psoriasis)	PhaseⅢ		
	(Ankylosing spondylitis)	PhaseⅢ		
Venoglobulin-IH (Polyethylene Glycol Treated Human Normal Immunogloblin)	Human Immunoglobulin G (IgG2 deficiency)	sNDA filed	In-house	
	(Polymyositis, Dermatomyositis (Orphan drug designated))	sNDA filed		
	(Systemic Sclerosis)	PhaseⅢ		
	(Myasthenia Gravis)	PhaseⅢ		
Novastan （Argatroban）	Thrombin inhibitor (Heparin-Induced Thrombocytopenia (HIT)	sNDA filed	In-house	
Hebsbulin-IH for intravenous	Human anti-HBs globulins （Prevention of reinfection with hepatitis B virus after liver transplant）	sNDA filed	In-house	
Anplag (Sarpogrelate Hydrochloride)	5HT2 antagonist (Prevention of recurrence of cerebral infarction)	PhaseⅢ	In-house	
Radicut (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis (Orphan drug designated))	PhaseⅢ	In-house	
Valixa (Valganciclovir)	Antiviral (Transplantation)	PhaseⅢ	Switzerland：Roche	
Modiodal (Modafinil)	Psychoneurotic agent (Obstructive sleep apnea)	PhaseⅢ	US：Cephalon	Co-development -Alfresa Pharma
Maintate （Bisoprolol）	Selective β1 antagonist （Chronic heart failure）	PhaseⅢ	Germany: Merck KGaA	
Cholebine （Colestimide（JAN））	New mode of action for diabetes treatment （Type 2 Diabetes mellitus）	PhaseⅡ	In-house	
	Non-absorbed phosphate binder (Hyperphosphatemia)	Phase Ⅰ		

State of New Product Development （as of 1st Nov. 2007)

2. Pipeline Overseas

① New Molecular Entities

Development code (Generic name)	Category (Indications)	Region	Stage	Origin	Region
MP-146	Uremic toxin adsorbent (Chronic kidney disease)	US, EU	PhaseⅢ	JP:Kureha	
MCI-196 （Colestilan（INN））	Non-absorbed phosphate binder (Hyperphosphatemia)	US, EU	PhaseⅢ	In-house	
TA-6666	DPPIV inhibitor (Type 2 Diabetes mellitus)	US	PhaseⅡ	In-house	
TA-5538	NK-1 receptor antagonist (Overactive bladder)	EU	PhaseⅡ	In-house	
MCC-135 （Caldaret）	Intracardiac Ca Handling Modular (Myocardial Infarction)	US, EU	PhaseⅡ	In-house	
MCC-257	Neurotrophin Enhancer (Diabetic neuropathy)	US	PhaseⅡ	In-house	
TA-5493	p38 inhibitor （Rheumatoid arthritis, Psoriasis）	EU	Phase Ⅰ	In-house	
MCI-186 （Edaravone）	Free Radical Scavenger (Acute cerebral infarction)	EU	Phase Ⅰ	In-house	
MP-513	DPPIV inhibitor (Type 2 Diabetes mellitus)	US, EU	Phase Ⅰ	In-house	
GB-1057 （Human serum albumin〔recombinant〕）	Recombinant human serum albumin （Stabilizing agent）	US	Phase Ⅰ	In-house	

②Additional Indications

Development code (Generic name)	Category (Indications)	Region	Stage	Origin	Remarks
Novastan (Argatroban)	Thrombin Inhibitor (Acute cerebral thrombosis)	China	sNDA filed	In-house	
	(Heparin-Induced Thrombocytopenia (HIT))	EU	Preparing for NDA		
	(HIT Patients undergoing PCI)	EU	PhaseⅢ		

State of New Product Development （as of 1st Nov. 2007)

3. Licensing-out

Development code (Generic name)	Category (Indications)	Region	Stage	Lincensee
FTY720 (Fingolimod hydrochloride)	Sphingosine 1–phosphate receptor agonist (Multiple sclerosis)	US, EU	PhaseⅢ	Switzerland:Novartis Pharma AG
MKC-242	5-HT1A receptor agonist (Generalized anxiety disorder, Insomnia)	US	Phase Ⅱ	US:MediciNova Inc.
MCI-225	Norepinephrine reuptake inhibitor + 5-HT3 receptor antagonist (Diarrhea-predominant irritable bowel syndrome)	US	Phase Ⅱ	US:Dynogen Pharmaceuticals Inc.
MKC-733	5-HT3 receptor antagonist (Constipation-predominant irritable bowel syndrome)	US	Phase Ⅱ	US:Dynogen Pharmaceuticals Inc.
	(Gastroesophageal reflux disease at nighttime)	US	Phase Ⅰ	
TA-1790 Avanafil	PDEV inhibitor (Erectile dysfunction)	US	Phase Ⅱ	US:Vivus Inc.
		Korea	Phase Ⅰ	Korea:Choongwae Pharma Corporation Inc.
TA-2005 Carmoterol	Long-acting β2 agonist (Asthma, COPD)	EU	Phase Ⅱ	Italy:Chiesi Farmaceutici s.p.A.
T-0047	Cell adhesion inhibitor ［α4β7/α4β1 inhibitor］ (Multiple sclerosis)	EU	Phase Ⅱ	UK:Glaxo SmithKline
T-0128	DNA Topoisomerase I inhibitors (DDS drug camptothecin derivative) (Malignant tumor)	EU	Phase Ⅰ	Italy:Menarini
TA-7284	SGLT2 inhibitor (Diabetes mellitus)	EU, US	Phase Ⅰ	US: Johnson & Johnson Pharmaceutical Research & Development, L.L.C.
sTU-199 (Tenatoprazole)	Proton pump inhibitor (Gastroesophageal reflux dsease)	EU	Phase Ⅰ	France:Negma (Sidem)
MCC-555 （Netoglitazone）	PPARγ agonist (Type 2 Diabetes mellitus)	US	Phase Ⅰ	US:Perlegen Sciences, Inc.
Y-39983	ROCK (rho-kinase) inhibitor （Glaucoma）	JP	Phase Ⅰ	Japan:Senju Pharmaceutical Co. Ltd.
MP-412	Tyrosine kinase inhibitor （Malignant tumor）	US	Phase Ⅰ	US:AVEO Pharmaceuticals Inc.
TT-138	β3 receptor agonist （Pollakiuria, Anischuria）	US	Phase Ⅰ	US:MediciNova Inc.(US)

State of New Product Development （as of 1st Nov. 2007)

4. Changes Since Previous Announcement (May 9, 2007)

Product name Development code (Generic name)	Category (Indications)	As of May 9, 2007	As of Nov. 1, 2007
Omeprazon	Proton pump inhibitor （Non-erosive reflux disease） （Secondary eradication）	sNDA Filed in Japan	Approved
Medway (Human serum albumin〔recombinant〕)	Recombinant human serum albumin （Hypoalbuminemia）	NDA Filed in Japan	Approved
Remicade （Infliximab〔recombinant〕）	Anti-TNFα monoclonal antibody (Rheumatoid arthritis: dose escalation)	Phase III in Japan	sNDA Filed
Novastan (Argatroban)	Thrombin Inhibitor (Heparin-induced thrombocytopenia (HIT))	Not Listed	sNDA Filed in Japan
Hebsbulin-IH for intravenous	Human anti-HBs globulins （Prevention of reinfection with hepatitis B virus after liver transplant）	Not Listed	sNDA Filed in Japan
Venoglobulin-IH	Human immunoglobulin G (Myasthenia gravis)	Not Listed	Phase III in Japan
TA-7284	SGLT2 inhibitor (Diabetes Mellitus)	Not Listed	Phase I Overseas Phase I in Japan
MP-435	C5a antagonist (Rheumatoid arthritis)	Not Listed	Phase I in Japan
Maintate （Bisoprolol）	Selective β1 antagonist (Chronic heart failure: additional indication)	sNDA Filed in Japan	Phase III in Japan
Gastrom	Gastrointestinal mucus protecting agent (Ulcerative colitis)	Phase III in Japan Phase II Overseas	Deleted（Suspended）
TA-1702	BK channel Opener (Overactive bladder)	Licensed-out (Overseas) Phase I	Deleted（Suspended）
MCC-977	Thrombin inhibitor （Deep vein thrombosis）	Phase II Overseas	Deleted（Suspended）
Y-700	Xanthine oxidase inhibitor （Gout, Hyperuricemia）	Phase II in Japan Phase I Overseas	Deleted（Suspended）
Cleanal	Airway secretion cell normalizing agent （Expectoration in acute respiratory disease）	Phase II in Japan	Deleted （Termination of co-development agreement）
Y-39983	ROCK (rho-kinase) inhibitor （Glaucoma）	Not Listed	Licenced-out (Japan) Phase I
MP-412	Tyrosine kinase inhibitor （Malignant tumor）	Not Listed	Licenced-out (Overseas) Phase I
TT-138	β3 receptor agonist （Pollakiuria, Anischuria）	Not Listed	Licenced-out (Overseas) Phase I

<Reference> Additional Information for State of New Product Development （as of 1st Nov. 2007)

1. Japan　New Morecular Entity

TA-8317	TA-8317 is an oral transmucosal fentanyl citrate product for the management of breakthrough pain in cancer patients. This product is marketed in the United States and Europe. Clinical trial in Japan is in Phase III.
MCC-847	MCC-847 is a leukotriene D4 antagonist and an orally available product to treat respiratory diseases. Clinical trials in patients with asthma or allergic rhinitis are in phase III and phase II, respectively.
APTA-2217	APTA-2217 is a potent, highly selective and orally availabe product for the treatment of respiratory diseases. An efficacy was obtained both in asthma and COPD. Phase II/III trials for asthma and COPD are underway.
FTY720	FTY720 is a sphingosine-1-phosphate receptor modulator. Overseas clinical trial in patients with multiple sclerosis is in phase III, and is being conducted by Novartis Pharma AG. In Japan, phase II clinical trial in patients with multiple sclerosis is currently under co-development with Novartis Pharma K.K..
MP-513	MP-513 is developed for the treatment of type-2 diabetes. It selectively inhibits dipeptidyl peptidase IV (DPPIV), thus accelerates the insulin secretion after meal intake. Clinical trial in Japan is in phase II.
MP-424	MP-424 is an orally-available product for treatment of chronic liver diseases due to hepatitis C virus. This compound inhibits protease NS3/4 in hepatitis C virus. Clinical trial in Japan is in phase I.
MP-214	MP-214 is a dopamine D3/D2 antagonist, and licensed from Gedeon-Richter (Hungary). Clinical trial in Japan is in phase I.
MP-435	MP-435 is a C5a (complement factor) receptor antagonist which modulates the immune system. Clinical trial in Japan is in phase I.
TA-6666	TA-6666 is developed for the treatment of type-2 diabetes. It selectively inhibits dipeptidyl peptidase IV (DPPIV), thus accelerates the insulin secretion after meal intake. This compound is in Phase I in Japan.
CNTO-148	Anti-TNFα monoclonal antibody. Clinical trial in Japan is Phase I.
TA-7284	As a selective SGLT2 inhibitor, TA-7284 decreases blood glucose levels by inhibiting reabsportion of glucose in the kidney. Phase I studies are underway in Japan.

<Reference> Additional Information for State of New Product Development （as of 1st Nov. 2007)

2. Japan　Additional Indication

Neuart	(Toxemia of Pregnancy) sNDA has been filed.
Remicade	(Crohn's disease, maintenance) We have conducted Phase III trials with Remicade in order to show its effectiveness in maintenance therapy for Crohn's disease in remission .We filed sNDA on Nov 2006.
	(Rheumatoid arthritis) In order to verify the effectiveness of Remicade when administered in higher doses, Phase III trials have been conducted for patients showing an insufficient response to methotrexate.We filed sNDA in Sep. 2007.
	(Ulcerative colitis) Good effecticacy and safety for Ulcerative colitis was reported and the indication was approved in the US and EU. Clinical trial in Japan is in Phase III.
	(Psoriasis) Good effecticacy and safety for plaque psoriasis and psoriatic arthritis were reported in validation trials and the indications were approved in the US and EU. Clinical trial in Japan is in Phase III.
	(Ankylosing Spondylitis) Good efficacy and safety for Ankylosing Spondylitis were reported and the indication was approved in the US and EU. Clinical trial in Japan is in Phase III.
Venoglobulin-IH	(IgG2 deficiency) sNDA has been filed.
	(Polymyositis and/or Dermatomyositis [orphan drug designated]) sNDA has been filed. Based on the instructions from the authorities, an additional clinical trial is in progress to confirm efficacy of Venoglobulin in patients with polymyositis or dermatomyositis who don't respond to steroid therapy.
	(Diffuse systemic scleroderma) Clinical trial in Japan demonstrated IV-IG was effective in improvement of skin manifestation, a primary endpoint of systemic scleroderma. Efficacy of IV-IG was also reported in overseas studies. Clinical trial is in phase III.
	(Myasthenia gravis) Clinical trial in Japan is in phase III with blood purification therapy as the comparator.
Novastan	sNDA was filed in Sep. 2007, utilizing results of the investigator-initiated trials.
Hebsbulin-IH for intravenous	（Prevention of reinfection with hepatitis B virus after liver transplant）In response to requests from the scientific society, we have submitted the sNDA.
Anplag	(Prevention of recurrence of cerebral infarction) Clinical trials is in phase III.
Radicut	(Amyotrophic lateral sclerosis (Orphan drug designated)) Clinical trials is in phase III.
Valixa	(Transplantation) Valixa has been approved for cytomegalovirus retinitis in AIDS patients. Clinical trial for cytomegalovirus infection after transplantation is in Phase III.
Modiodal	(Obstructive sleep apnea) Modiodal has been approved for narcolepsy in Japan. It has been also approved in the U and certain major European countries as an agent for the patients with excessive sleepiness associated with narcolepsy, obstructive sleep apnea, and shift-work sleep disorder. Clinical trial for obstructive sleep apnea is in Phase III under co-development with Alfresa Pharma in Japan.
Maintate	（Chronic heart failure）In Europe, the result of the large-scale CIBIS-II trials demonstrated that bisoprolol significantly decreased mortality in patients with chronic heart failure (NYHA Ⅲ-Ⅳ). In Japan, sNDA for an additional indication of chronic heart failure was submitted in April 2006. After the consultation with authorities, additional clinical study for NDA is now under discussion.
Cholebine	(Type 2 diabetes) Clinical trial is in phase II. (Hyperphosphatemia) Clinical trial is in phase I.

<Reference> Additional Information for State of New Product Development (as of 1st Nov. 2007)

3. Overseas New Morecular Entity

MP-146	MP-146 was licensed from Kureha Corporation (Japan) in Nov. 2006. Clinical trial in patients with chronic renal failure is in phase III, primarily in EU, North America and South America.
MCI-196 (Colestilan (INN))	MCI-196 has been developed to obtain indication for the treatment of hyperphosphatemia in patients on dialysis in EU and the US.
TA-6666	TA-6666 is developed for the treatment of type-2 diabetes. It selectively inhibits dipeptidyl peptidase IV (DPPIV), thus accelerates the insulin secretion after meal intake. This compound is in Phase II in the US.
TA-5538	TA-5538 selectively blocks binding of substance P to the receptor (NK-1 receptor), is under development for the treatment of overactive bladder. This compound is in Phase II in Europe.
MCC-135	MCC-135 improves cardiac function and clinical outcome in patients with acute myocardial infarction, by improving calcium mobilization in ischemic-reperfused myocardium. Clinical trial in Euand the US is in phase II.
MCC-257	MCC-257 is a product to treat diabetic neuropathy by facilitating secretion of neurotropic factors and potentiating their actions. Clinical trial in the US is in phase II.
TA-5493	TA-5493 is the p38 MAP kinase inhibitor, suppress the cytokine production including TNF α and consequently expresses anti-inflammatory effects. This compound is in phase I trials in Europe.
MCI-186 (Edaravone)	Clinical trial in EU is in phase I.
MP-513	MP-513 is a product to treat type II diabetes. This compound is a DPPIV inhibitor, and improves the blood glucose level by facilitating insulin secretion and inhibiting glucagon secretion. Clinical trials in the US and EU are in phase I.
GB-1057	Clinical trial in the the US is in phase I.

4. Overseas Additional Indications

Novastan (Argatroban)	(Acute phase in cerebral thrombosis) NDA has been filed in China.
	(Heparin-induced thrombocytopenia (HIT)) Seven EU countries (Germany, Austria, Sweden, the Netherlands, Denmark, Norway and Iceland) have given the marketing authorization. We now consider the submission to other EU countries.
	(Percutaneous coronary intervention in patients with HIT) Clinical trial in EU is in phase III.

<Reference> Additional Information for State of New Product Development （as of 1st Nov. 2007)

5. Overseas Lisenced Products

FTY720	FTY720 prevents regression of lymphocytes from the lymphoid tissues by acting on sphingosine-1-phosphate receptors. Novartis Pharma A.G. is conducting a phase III clinical trial in patients with multiple sclerosis, primarily in the US and EU.
MKC-242	MKC-242 is a serotonin 5-HT1A receptor agonist, used to treat psychiatric disorders such as anxiety and depression This compound is expected to reveal rapid onset with low possibility of dependency. MediciNova Inc.(US) is conducting phase II clinical trials in patients with generalized anxiety disorder or insomnia.
MCI-225	MCI-225 has both norepinephrine reuptake inhibition and serotonin 5-HT3 receptor antagonism. Dynogen Pharmaceuticals, Inc. is conducting a phase IIa clinical trial in the US in patients with diarrhea-predominant irritable bowel syndrome.
MKC-733	MKC-733 modulates gastrointestinal motility by agonising serotonin 5-HT3 receptors. Dynogen Pharmaceuticals, Inc. is conducting in the US a phase IIa clinical trial in patients with constipation-predominant irritable bowel syndrome, and a phase I clinical pharmacological study in patients with gastroesophageal reflux disease at night.
TA-1790	TA-1790 is developed for the treatment of erectile dysfunction by Mitsubishi Tanabe Pharma, which is expected to have a quick onset and fewer side effects. This compound is in Phase II trials in the US and in Phase I trials in Korea.
TA-2005	TA-2005 is a selective, potent and long acting β2 agonist for the treatment of asthma and COPD. This product is in Phase II trials in Europe.
T-0047	T-0047 inhibits the cell adhesion and cell migration processes of white blood cells in inflammatory region. Although US Food and Drug Administration has taken the precautionary measure of placing a clinical hold on investigational new drugs in the α4 integrin antagonist class being tested on human subjects, including this product. The reason for the clinical hold as cited by the FDA is the uncertainty surrounding the cause of the reports of progressive multifocal leukoencephalopathy (PML) in patients who had been taking Tysabri (natalizumab), an MS biological agent marketed by Biogen Idec and Elan Pharmaceuticals. The resuming clinical trial is conducted in Europe, Canada, Australia, and New Zealand.
T-0128	T-0128 is a prodrug with its drug-delivery system, which is composed of a novel camptothecin analog covalently linked to a macromolecular carrier via a short peptide chain, and reaches the tumor tissue effectively. This compound is in Phase I trials in Europe.
TA-7284	As a selective SGLT2 inhibitor, TA-7284 decreases blood glucose levels by inhibiting reabsportion of glucose in the kidney. Phase I studies are underway in EU and the US.
sTU-199	sTU-199 is an isomer of TU-199, developed in Japan, and licensed to Negma (France). Pharmacokinetic/pharmacodynamic results from phase I clinical trials in EU and the US demonstrated that sTU-199 controlled gastric acid secretion at nighttime in patients receiving this compound once-daily, with the long terminal half-life. It is expected that this compound will reveal rapid improvement for non-erosive reflux disease. Sidem Pharma, a subsidiary of Negma, is conducting phase I trial in EU.
MCC-555	MCC-555 is a PPARγ agonist to treat type II diabetes by improving insulin resistance, enhancing glucose utilization in peripheral tissues and controlling blood glucose level. Perlegen Sciences, Inc. aims to develop this compound as a tailor-made medicine to treat type II diabetes, evaluating efficacy and safety in patients using genomic analysis. Clinical trial in the US is in phase I.
Y-39983	Y-39983 is a ROCK (Rho-kinase) inhibitor, which relaxes vascular smooth muscle. Senju Pharmaceutical Co. Ltd. Is conducting phase I clinical trial in Japan.
MP-412	MP-412 is expected to have superior efficacy for solid tumors to other anticancer agents that belong to the same class. AVEO Pharmaceuticals Inc. is conducting phase I clinical trial in patients in the US, and investigating dosage and dose regimen.
TT-138	TT-138 is a β3 receptor agonist used to treat pollakiuria and anischuria. MediciNova Inc. is conducting phase I in the US.

<Ref.> Major Ethical Drugs 1

Product Name	Launch	Category	Notes
	Product Profile		
Radicut (Edaravone)	June, 2001	Cerebral neuroprotectant (Free radical scavenger)	
	Radicut developed in Japan is the world's first brain protecting agent (free radical scavemger) shown to improve neurological symptoms, interference with activities of daily living, and disability (at hospital discharge) in patients at acute stage of cerebral infarction. Specific indications include the treatment of various types of infinfarction (Cerebral lacunar, Atherothrombotic and Cardiogenic infarction) It is initiated administration within 24 hours after onset, and is not administrated for more than 14 days.		
Remicade (Infliximab)	May 2002	Anti-TNFα monoclonal antibody (Treatment of rheumatoid rthritis (RA), active Crohn's disease and Behcet's disease with refractory uveoretinitis)	Origin: Centocor, Inc.
	Remicadr is an anti-TNFα antibody, which targets TNFα, an important inflammatory cytokine. It is very fast-acting and its efficacy is sustained for two months with a single administration. Remicade has been shown to inhibit joint destruction in rheumatoid arthritis. In January 2007, it was approved in Japan for the treatment of Behcet's disease with refractory uveoretinitis.		
Anplag (Sarpogrelate)	Oct. 1993	Anti-platelet (5-HT2 blocker)	
	Anplag, an oral anti-platelet, is used to patients with arteriosclerosis obliterans (ASO) to improve ischemic symptoms like as ulcer, pain and coldness of limbs associated with chronic arterial occlusion. Anplag especially improves the bloodstream of collateral circulation and inhibits platelet aggregation, vascular contraction and growth of vascular smooth muscle cell by antagonistic action to serotonin receptor in platelets and vessels. The downsized tablet which is convenient for elderly patients was approved in August 2007.		
Urso (Ursodeoxycholic Acid)	Jul. 1962	Agent for improving hepatic, biliary and digestive functions	
	Ursodeoxycholic acid (UDCA), principal ingredient of Urso, had been extracted from blackbear's gallbladder in the past and has been used in the treatment of various digestive diseases. It is one of the bile acids existing in human body. Urso has effects of hapatic protection and indications of improvement of liver function in chronic liver disease and hepatitis C, and dissolution of gallstones.		
Herbesser (Diltiazem)	Feb. 1974	Calcium antagonist (Treatment of angina pectoris and hypertension)	
	Herbesser is a representative calcium antagonist that is used in more than 110 countries around the world. In addition to a blood pressure lowering effect, it has a cardioprotective action in patients with hypertension or angina pectoris by reducing the cardiac load through a heart rate lowering effect and by increasing the oxygen supply through a coronary vasodilating effect.		
Ceredist (Taltirelin)	Sep. 2000	Agent for treating spinocerebellar degeneration	
	Thyrotropin releasing hormone (TRH) was known to be effective against ataxia caused by spinocerebellar degeneration, but it was previously administered only through injection. Ceredist, developed by Tanabe, is the world's first oral TRH derivative drug.		
Tanatril (Imidapril)	Dec. 1993	ACE Inhibitor (Treatment of hypertension)	
	Tanatril shows excellent blood pressure control with effective organ protection as well as minimal incidence of dry cough, a common side effect of ACE inhibitors. With the approval of an additional indication in 2002, it became the first drug in Japan approved for diabetic nephropathy with type I diabetes.		
Venoglobulin-IH (Human immunoglobulin)	Jan. 1992	Plasma derivatives	
	Venoglobulin-IH is intravenous human immunoglobulin derived from donated plasma in Japan. It shows high efficacy on serious infectious diseases in combined addministration with anti-bacterial agent due to its opsonic, immuno-bacteriolytic and antibody-dependent cytotoxic effects and neutralizing effects on toxics and viruses.		

<Ref.> Major Ethical Drugs 2

Product Name	Launch	Category	Notes
	Product Profile		
Depas (Etizolam)	Mar. 1984	Antianxiety agent	
	Depas is the most widely used anxiolytic agent in Japan. Due to its broad pharmacological properties, Depas shows reasonable effectiveness for pychosomatic disease, neurosisas, low back pain, neck pain and muscle-contraction headache, depression and sleep disorder.		
Maintate (Bisoprolol)	Nov. 1990	Selective β_1 Antagonist (Treatment of angina pectoris hypertension, and arrhythmias)	Origine: Merck KGaA
	Maintate is a representativeβ-blocker used in more than 85 countries around the world. It exhibits high selectivity for β1 receptor and excellent phamacokinetics profiles. It has high efficacy and safety, and there is evidence for its cardioprotective action. An application has been filed in Japan for an additional indication for chronic heart failure.		
Sermion (Nicergoline)	June 1988	Cerebral circulation and metabolism ameliorator	Origin: Pfizer Inc.
	Sermion ameliorates blood flow and metabolism in the brain. It is used to treat sequela of cerebral infarction. In 1998, in a reevaluation by the Ministry of Health and Welfare in Japan, its effectiveness was confirmed. In "the treatment guidelines for strokes in 2004," Sermion was recommended as a treatment drug for chronic cerebral infarction.		
Liple (Arprostadil)	Nov. 1988	Chronic arterial ccclusion / Circulatory disturbance (PG E1)	Co-developed with Taisho Pharmaceutical Co., Ltd.
	Liple, the world's first DDS (Drug Delivery System) agent of intravenous PGE1, improves the peripheral circulatory disturbance and skin ulcer in chronic arterial occlusive disease and diabetes by its direct vasolidating effects. DDS maximizes the therapeutic effects and simutaneously minimizes the adverse effects of PGE1.		
Talion (Bepotastine)	Oct. 2000	Agent for treatment of allergic disorders (Treatment for allergic rhinitis and urticaria)	Origin: Ube Industries, Ltd. Co-development
	Talion has rapid onset of anti-histamine(H1) effects and has been demonstrated to be effective for allergic rhinitis, urticaria, and pruritus accompanying dermatitis. It has minimal incidence of sedation. In March 2007, approval was received for an additional formulation, orally disintegrating tablets, and it was launched in July.		
Omeprazon (Omeprazole)	Apr. 1991	Antiulcerogenic agent (Proton pump inhibitor)	Origin: AstraZeneca Co-developed with AstraZeneca
	Omeprazon is the world's first proton pump inhibitor that suppresses gastric acid secretion by specific inhibition of the H+/K+-ATPase enzyme in the gastric parietal cell. It strongly and sustainably blocks the final step in gastric acid production results in reducing gastric acidity. Omeprazon has excellent efficacy for gastric ulcer, duodenal ulcer and reflux esophagitis. Additional indications for non-erosive reflux disease (NERD) and secondary eradication of Hellicobacter pylori were approved in May and August 2007, respectively.		
Gastrom (Ecabet)	Dec. 1993	Agent for treatment of gastritis and gastric ulcer	
	Gastrom is hardly absorbed from but covers the gastrointestinal tract after administration. It protects the gastric mucosa and has no serious side effects or drug interactions. In single-agent treatment of gastritis, it has efficacy of equivalent to H2 blockers. Evidence that the concomitant use of Gastrom with an H2 blocker significantly improves the cure rate in gastric ulcer was included in gastric ulcer treatment guidelines in April 2007, and it has been recommended for concomitant use with an H2 blocker.		

<Ref.> Major Ethical Drugs 3

Product Name	Launch	Category	Notes
	Product Profile		
Theodur (Theophylline)	Apr. 1984	Bronchodilator (Xanthine-bronchodilator)	
	Theodur, an oral bronchodilator, is widely prescribed to treat symptoms of asthma and COPD. The active ingredient, theophylline, has pleiotropic effects including bronchodilating and antiinflammatory activities relevant to asthma. Theophylline is recommended to use for asthma in the management guidelines in Japan. Compared with other anti-asthma medications, the treatment by Theodur is also highly evaluated from a cost-effective viewpoint.		
Neuart (Anti-thrombin Ⅲ)	Jun. 1987	Plasma derivatives (Anticoagulant agent)	
	Neuart is highly purified human anti-thrombin Ⅲ derived from donated plasma in Japan. It shows strong anticoagulant effects in the treatment of DIC patients by inhibiting various kinds of activated serine protease including thrombine.		
Fulcaliq	Jan. 2003	High-calorie infusion with vitamins	Co-development with Terumo Corporation
	Fulcaliq is the world's first high-calorie infusion with triple chambers which makes it possible to add multivitamins to sugars, amino acids and electrolytes. Fulcaliq significantly improves customers' safety and convenience.		
Mearubik (Measels and Rubella Vaccine Live Attenuated)	Dec. 2005	Measels and rubella immunization	Manufacturer: *BIKEN
	Mearubik is the combination vaccine for Measels and Rubella, and children are able to receive both Measels and Rubella shot at a time with Mearubik. It is expected to contribute enhancement of immunization rate for Measels and Rubella in Japan.		

*BIKEN:The Research Foundation for Microbial Diseases of Osaka University

Status of Shareholders (Tanabe Seiyaku)

1.Common Stock, the Company's Own Shares (Consolidated))

	First Half of FY2007	The End of FY2006
Issued	267,597,847	267,597,847
The company's own shares at the end of the period	22,693,811	22,666,769
Number of shares outstanding at the end of the period	244,904,036	244,931,078
Average number of the company's own share	22,679,530	22,643,379
Average number of shares outstanding	244,918,317	244,954,468

＜Reference＞

Number of Shares Outstanding (Oct. 1, 2007)
561,417,916

Total amount of 316,320,069 Shares of common stocks of Tanabe Seiyaku was allotted to shareholders of Mitsubishi Pharma on the merger.

2.Dividend Trend

	FY2003	FY2004	FY2005	FY2006	First Half of FY2007	FY2007 (expectations)
Dividends per Share	14 yen	17 yen	20 yen	24 yen	13 yen	26 yen
Dividend Payout Ratio	20.3%	26.7%	32.0%	29.1%	32.0%	32.9%

＜Reference＞ Status of Shares as of September 30, 2007

①Status of Large Shareholders

	Name of Shareholders	First Half of FY 2007		FY 2006		
		Number of Shares (Thousands)	Percentage of Total (%)	(rank)	Number of Shares (Thousands)	Percentage of Total (%)
1	The Master Trust Bank of Japan, Ltd.	20,092	7.51	(2)	15,347	5.74
2	Nippon Life Insurance Company	15,875	5.93	(1)	15,875	5.93
3	Japan Trustee Services Bank, Ltd.	15,426	5.76	(3)	11,419	4.27
4	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12,089	4.52	(4)	12,089	4.52
5	The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	9,800	3.66	(3)	8,504	3.18
6	Nipro Corporation	8,030	3.00	(5)	8,030	3.00
7	Tokio Marine & Nichido Fire Insurance Co., Ltd.	5,218	1.95	(6)	5,218	1.95
8	Trust & Custody Services Bank, Ltd.	4,611	1.72	(9)	3,836	1.43
9	Mellon Bank NA as Agent for Its Client Melon Omnibus US Pension	4,365	1.63	(12)	4,972	1.86
10	Mizuho Corporate Bank, Ltd.	4,333	1.62	(10)	4,333	1.62
—	Tanabe Seiyaku Co., Ltd.	22,679	8.48	(—)	22,652	8.47

②Ownership and Distribution of Shares

	First Half of FY2007			FY2007		
	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total (%)	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total (%)
Foreign Corporations and Others	95	101,129	37.94	87	89,264	33.49
Foreign Corporations and Others	331	86,798	32.56	350	96,514	36.21
Individuals and Others	10,790	52,481	16.69	10,180	50,848	19.08
Other Corporations	242	24,924	9.35	231	24,808	9.31
Securities Firms	43	1,227	0.46	41	5,093	1.91
Total	11,501	266,559	100.00	10,889	266,527	100.00
Less than Trading Unit		1,038		—	1,070	—

* The trading unit of the Company's stock is 1,000 shares.

* Individuals and Others includes treasury stock (22,679 thousand shares in First Half of FY 2006 and 22,652 thousand shares at the end of FY2006)

③Percentage of Shares Owned by Foreign Institutions and Individuals

As of Mar.31,2002	As of Mar.31,2003	As of Mar.31,2004	As ofMar.31, 2005	As of Mar.31,2006	As of Mar.30,2007	As of Sep.30,2007
19.89%	19.82%	22.26%	30.14%	31.18%	36.21%	32.56%

Other Data

1. Number of Employees

	As of Mar.31, 2003	As of Mar.31, 2004	As of Mar.31, 2005	As of Mar.31, 2006	As of Mar.31, 2007	As of Mar.31. 2008 Estimate
Tanabe Seiyaku Co., Ltd.	4,540	4,517	4,512	4,554	4,541	—
Non-consolidated	3,247	3,194	2,993	3,033	3,068	—
Mitsubishi Pharma Corporation	6,122	5,917	5,902	5,907	6,075	—
Non-consolidated	4,175	3,546	3,575	3,488	3,426	—
Mitsubishi Tanabe Pharma Corporation	—	—	—	—	—	10,478
Non-consolidated	—	—	—	—	—	6,304

2. Topics after April 2007

Tanabe Seiyaku Co., Ltd.

April 1, 2007	Restractured consolidated subsidiaries by merger of Tanabe Total Service Co., Ltd., Tanabe Seiyaku Engieering Co., Ltd., and Ace Art Co., Ltd., and business transfer of Tnabe Seiyaku Trading Co., Ltd to Healthcare Headquarter of Tanabe Seiyaku Co., Ltd.
July 18, 2007	Launched anti-allergic agent "Talion® OD Tablets".
July 19, 2007	Lauched eye-drop "Aspara® Eye-drop Moist CL".
August 6, 2007	Implemented an ealy retirement program
August 24, 2007	Closed the application term of the early retirement program. Number of participant; 61 employees.
September 25, 2007	Granted exclusive North American rights to develop, manufacture, and market of bepotastine besilate, active ingredient of the antiallergic prouct, Talion®, for nasal use.

Mitsubishi Pharma Corporation

May 24, 2007	Additional indication of non-erosive reflux disease was approved for proton pomp inhibitor, Omeprazon 10mg tablet
June 21, 2007	Capital increase at an U.S.investment company, MP Healthcare Venture Management, Inc.
July 31, 2007	Business on antioxidizing agent, BHT at API will be transferred to Honshu Chemical Industry Co., Ltd. on January 1, 2009. Kusu plant for actually manufactuaring BHT at API will be closed after the transfer by the end of March, 2009.
August 6, 2007	Implemented an ealy retirement program
August 24, 2007	Additional dosage and administration for secondary eradication of Helicobacter pylori were approved for combination use of proton pomp inhibitor, Omeprazon tablets with amoxycilin and metronidazole
August 24, 2007	Closed the application term of the early retirement program. Number of participant; 57 employees.
September 5, 2007	Released the final report, which was compiled by HIV affair investigative committee, on why former Green Cross failed to prevent the occurrence of HIV affair and on the improvement measures at Mitsubishi Pharma
September 26, 2007	Application filed for additional indication of a selective antithrombin agents Novastan HI injection 10mg/2mL for Heparin-induced thrombocytopenia

3.Topics Related to the Merger

February 2, 2007	Tanabe Seiyaku and Mitsubishi Pharma reached a basic agreement on their merger after approval by each of the respective party's Board of Directors.
April 27, 2007	Tanabe Seiyaku and Mitsubishi Pharma reached a definitive agreement on their merger after approval by each of the respective party's Board of Directors .
May 10, 2007	Announced the main corporate organization structure, Directors, and Corporate officers of Mitsubishi Tanabe Pharma.
May 16, 2007	Announced Corporate Philosophy and Vision, Brand Mark, Business Management Goals and Other Policies of Mitsubishi Tanabe Pharma Corporation.
June 14, 2007	Announced the detailed corporate organization of Mitsubishi Tanabe Pharma.
June 22, 2007	Mitsubishi Pharma: Congressional approval to the agreement of the merger with Tanabe Seiyaku at the shareholders meeting held by written consent of Mitsubishi Chemical Holdings.
June 26, 2007	Tanabe Seiyaku : Congressional approval to the agreement of the merger with Mitsubishi Pharma at the 103rd annual meeting of stockholders
October 1, 2007	Established Mitsubishi Tanabe Pharma Corporation